

## HOUSE OF REPRESENTATIVES.

WEDNESDAY, October 21, 1914.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We bless Thee, Infinite Spirit, our heavenly Father, for the good Thou hast woven into our being, which is ever striving to lift us out of the animal into the divine, that the desert places may blossom as the rose and satisfy the longings of the soul; discourage every selfish ambition, encourage every laudable desire; that the good may triumph and evil die; that Thy kingdom may come and Thy will be done on earth as it is in heaven. In the spirit of the world's great Exemplar. Amen.

The Journal of the proceedings of yesterday was read.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the Journal be approved.

The SPEAKER. The gentleman from Kentucky [Mr. JOHNSON] moves that the Journal be approved.

The question was taken, and the motion was agreed to.

## PRESIDENT'S ADDRESS BEFORE AMERICAN BAR ASSOCIATION.

Mr. BAILEY. Mr. Speaker, I desire to ask unanimous consent to extend my remarks in the Record by printing the address of the President of the United States before the American Bar Association on yesterday.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the Record by printing the address of the President of the United States made before the American Bar Association on yesterday in the city of Washington. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, that is printed in the Record of yesterday.

Mr. BAILEY. No.

Mr. MANN. I beg the gentleman's pardon. It is the address before the American Bar Association?

Mr. BAILEY. Yes.

Mr. MANN. That is printed in the Senate proceedings; however, I will not object. I gave notice yesterday I should object to all requests, but I withdraw that notice and I will not object.

Mr. BAILEY. If it has been printed, then I do not care to have it duplicated.

Mr. MANN. It was printed yesterday.

The SPEAKER. Does the gentleman withdraw his request?

Mr. BAILEY. I do.

## CORRECTING CERTAIN ERRORS IN PENSION BILLS.

Mr. SHERWOOD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House joint resolution 361, amended by the Senate, and agree to the Senate amendments.

The SPEAKER. The gentleman from Ohio asks unanimous consent to take from the Speaker's table House joint resolution 361 and consider the Senate amendments at this time. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the joint resolution by title and read the Senate amendments.

The Clerk read as follows:

A joint resolution (H. J. Res. 361) to correct errors in H. R. 12045, H. R. 12914, H. R. 13542, H. R. 14234, H. R. 14738, H. R. 15692, and H. R. 16294.

The Senate amendments were read.

The SPEAKER. The gentleman from Ohio moves to concur in the Senate amendments.

The question was taken, and the Senate amendments were agreed to.

The title was amended to conform to the text.

## EXTENSION OF REMARKS ON COTTON SITUATION.

Mr. PARK. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record on the situation brought about in the cotton States by the European war, including a letter and a plan to protect the 1914 crop as now in operation in Georgia that does not call on the Treasury for help.

The SPEAKER. The gentleman from Georgia asks unanimous consent to extend his remarks in the Record on the subject of cotton, among other things setting forth a plan already in successful operation in Georgia. Is there objection? [After a pause.] The Chair hears none.

Mr. TAYLOR of Arkansas. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from Arkansas [Mr. TAYLOR] makes the same request as to the cotton situation. Is there objection? [After a pause.] The Chair hears none.

## CALENDAR WEDNESDAY.

Mr. HENRY. Mr. Speaker, I move to dispense with the proceedings under the rule providing for Calendar Wednesday to-day.

The SPEAKER. The gentleman from Texas moves to dispense with the business on Calendar Wednesday in order to-day.

The question was taken; and in the opinion of the Chair, two-thirds having voted in favor thereof, the business in order on Calendar Wednesday was dispensed with for to-day.

## JUDGE EMORY SPEER.

Mr. WEBB. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman rise? Mr. WEBB. I desire simply to ask for the adoption of the Report No. 1176, House Calendar 207, being the final report on House resolution 234, providing for an investigation of the conduct of Judge Emory Speer.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to call up the report from the Judiciary Committee touching the conduct of Judge Emory Speer, of Georgia.

Mr. BORLAND. Mr. Speaker, reserving the right to object, I would like to ask the gentleman what action he proposes to take, if any?

Mr. WEBB. That no further proceedings be had under the resolution. I desire to state that it is a privileged report, anyhow, Mr. Speaker.

The SPEAKER. Is there a resolution?

Mr. WEBB. No; I ask for the adoption of the report which carries the resolution that no further proceedings be had under House resolution 234.

The SPEAKER. The gentleman from North Carolina [Mr. WEBB] moves that the report be adopted. The Clerk will report it by title. Is this a unanimous report?

Mr. WEBB. It is a unanimous report; yes, sir. The report is very brief. It does not cover more than half a page, and I would suggest it be read.

The SPEAKER. The Chair thought it was very long, because he happened to be looking at the book.

Mr. WEBB. No; it is contained on the first page.

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

Mr. WEBB, from the Committee on the Judiciary, submitted the following report, to accompany House resolution 234:

The Committee on the Judiciary, having had under consideration House resolution 234, to authorize the Committee on the Judiciary to inquire into and concerning the official conduct of Emory Speer, United States district judge for the southern district of Georgia, beg to report to the House of Representatives that a subcommittee of the Committee on the Judiciary, consisting of Representatives WEBB, FITZ-HENRY, and VOLSTEAD, was appointed to take testimony in the investigation of the behavior of Judge Emory Speer, United States judge for the southern district of Georgia, and that the subcommittee sat in the cities of Macon and Savannah, Ga., and examined numerous witnesses touching their knowledge of the alleged misbehavior of Judge Speer. The subcommittee made a report to the Committee on the Judiciary, which report is herewith submitted, setting forth in detail the charges against said judge and the evidence adduced under each charge, and concluding their report with a recommendation that no further proceedings be had with reference to House resolution 234.

The Committee on the Judiciary considered the evidence and the report and came to the conclusion that no further proceedings should be had with reference to said resolution, and the Committee on the Judiciary beg to report the same to the House and recommend that no further proceedings be had with reference to said resolution.

The question was taken, and the report was agreed to.

## COTTON AND TOBACCO.

Mr. HENRY. Mr. Speaker, I call up the privileged resolution (No. 656) which I sent to the Clerk's desk yesterday and upon which I moved the previous question.

The SPEAKER. The Clerk will report it by title.

The Clerk read as follows:

The Committee on Rules, to whom was referred the resolution (H. Res. 643) for the consideration of various bills, having considered the same, beg to report the following resolution (No. 656) in lieu thereof, and recommend that it be agreed to.

The SPEAKER. The question is on ordering the previous question.

The question was taken, and the Speaker announced the ayes seemed to have it.

Mr. GLASS. Mr. Speaker, I ask for a division.

The House divided; and there were—ayes 64, noes 45.

Mr. GLASS. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. The gentleman from Virginia [Mr. GLASS] asks for the yeas and nays.

Mr. GLASS. Mr. Speaker, I desire to withdraw that request and make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Virginia makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and sixty-one Members are present—not a quorum. The Doorkeeper will lock the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 121, nays 95, answered "present" 10, not voting 202, as follows:

## YEAS—121.

Abercrombie	Edwards	Lazaro	Sisson
Adamson	Finley	Lee, Ga.	Slayden
Aiken	Flood, Va.	Lever	Small
Alexander	Floyd, Ark.	Levy	Smith, Idaho
Aswell	Garrett, Tenn.	Linthicum	Smith, Saml. W.
Barkley	Garrett, Tex.	Lobeck	Smith, Tex.
Bartlett	Gill	McGillcuddy	Sparkman
Bell, Ga.	Godwin, N. C.	McKellar	Stanley
Blackmon	Goodwin, Ark.	Mann	Stedman
Booher	Greene, Vt.	Miller	Stephens, Miss.
Broussard	Hardwick	Moon	Stephens, Tex.
Buchanan, Tex.	Hardy	Morgan, Okla.	Stout
Burgess	Hayden	Murray	Taylor, Ala.
Burnett	Hebin	Oldfield	Taylor, Ark.
Byrnes, S. C.	Hevering	Padgett	Taylor, Colo.
Byrns, Tenn.	Henry	Page, N. C.	Taylor, N. Y.
Candler, Miss.	Hensley	Park	Thompson, Okla.
Cantrill	Houston	Platt	Tribble
Caraway	Howard	Pou	Vaughan
Carew	Hughes, Ga.	Quin	Walker
Carlin	Hull	Ragsdale	Watson
Carter	Humphrey, Wash.	Rayburn	Webb
Collier	Humphreys, Miss.	Reilly, Conn.	Whaley
Cox	Jacoway	Rothermel	Wilson, Fla.
Crisp	Johnson, Ky.	Rouse	Wingo
Curry	Johnson, S. C.	Rubey	Witherspoon
Davis	Johnson, Utah	Rucker	Woods
Dent	Keating	Rupley	Young, Tex.
Dickinson	Kinkaid, Nebr.	Saunders	
Dupré	Kirkpatrick	Sims	
Eagle	La Follette	Sinnott	

## NAYS—95.

Ashbrook	Doremus	Hinds	Patton, Pa.
Bailey	Drukker	Kennedy, Conn.	Payne
Barchfeld	Dunn	Kennedy, Iowa	Porter
Barnhart	Eagan	Kennedy, R. I.	Post
Barton	Edmonds	Key, Ohio	Prouty
Beakes	Esch	Kindell	Rainey
Borchers	Evans	Korbly	Raker
Brodbeck	Fairchild	Kreider	Rauch
Brown, W. Va.	Falconer	Langham	Riordan
Bruckner	Farr	Lieb	Scott
Brumbaugh	Fitzgerald	Lloyd	Sherley
Bulkley	Gillmore	Maguire, Nebr.	Sherwood
Butler	Glass	Mahan	Stafford
Carr	Goetze	Mapes	Stephens, Cal.
Cline	Goulden	Metz	Stone
Cooper	Gray	Moore	Tavener
Cullop	Greene, Mass.	Morin	Thomson, Ill.
Dale	Griest	Morrison	Townsend
Danforth	Griffin	Mott	Tuttle
Dershew	Hamilton, N. Y.	Nelson	Underhill
Difenderfer	Haugen	O'Brien	Vare
Dillon	Hawley	O'Leary	White
Dixon	Hay	Parker	Winslow
Donovan	Helm	Patton, N. Y.	

## ANSWERED "PRESENT"—10.

Ainey	Coady	Hamlin	Whitacre
Borland	Ferguson	Holland	
Clark, Fla.	Foster	Kinkaid, N. J.	

## NOT VOTING—202.

Adair	Cramton	Green, Iowa	Lewis, Md.
Allen	Crosser	Gregg	Lewis, Pa.
Anderson	Davenport	Gudger	Lindbergh
Ansberry	Decker	Guernsey	Lindquist
Anthony	Deltrick	Hamill	Loft
Austin	Dies	Hamilton, Mich.	Logue
Avis	Donohoe	Hammond	Loneragan
Baker	Dooling	Harris	McAndrews
Baltz	Doolittle	Hart	McClellan
Bartholdt	Doughton	Hayes	McGuire, Okla.
Bathrick	Driscoll	Helgesen	McKenzie
Beall, Tex.	Elder	Hill	McLaughlin
Bell, Cal.	Estopinal	Hinebaugh	Macdonald
Bowdle	Falson	Hobson	Madden
Britten	Ferris	Howell	Maher
Brockson	Fess	Hoxworth	Manahan
Brown, N. Y.	Fields	Hughes, W. Va.	Martin
Browne, Wis.	FitzHenry	Hullings	Merritt
Browning	Fordney	Igoe	Mitchell
Bryan	Fowler	Johnson, Wash.	Mondell
Buchanan, Ill.	Francis	Jones	Montague
Burke, Pa.	Frear	Kahn	Morgan, La.
Burke, S. Dak.	French	Kaiser	Moss, Ind.
Burke, Wis.	Gallagher	Kelly, Mich.	Moss, W. Va.
Calder	Gallivan	Kent	Mulkey
Callaway	Gard	Kettner	Murdock
Campbell	Gardner	Kiess, Pa.	Neeley, Kans.
Cantor	Garner	Kitchin	Neely, W. Va.
Cary	George	Knowland, J. R.	Nolan, J. I.
Casey	Gerry	Konop	Norton
Chandler, N. Y.	Gillett	Lafferty	Oglesby
Church	Gittins	Langley	O'Hair
Clancy	Goldfogle	Lee, Pa.	O'Shaunessy
Claypool	Good	L'Engle	Paige, Mass.
Connolly, Kans.	Gordon	Lenroot	Palmer
Connolly, Iowa	Gorman	Leshner	Peters
Conry	Graham, Ill.		Peterson
Copley	Graham, Pa.		Phelan

Plumley	Shreve	Sutherland	Volstead
Powers	Slomp	Switzer	Wallin
Reed	Sloan	Taggart	Walsh
Reilly, Wis.	Smith, J. M. C.	Talbot, Md.	Walters
Roberts, Mass.	Smith, Md.	Talcott, N. Y.	Watkins
Roberts, Nev.	Smith, Minn.	Temple	Weaver
Rogers	Smith, N. Y.	Ten Eyck	Williams
Russell	Steenerson	Thacher	Willis
Sabath	Stephens, Nebr.	Thomas	Wilson, N. Y.
Scully	Stevens, Minn.	Towner	Woodruff
Seldomridge	Stevens, N. H.	Treadway	Young, N. Dak.
Sells	Stringer	Underwood	
Shackleford	Summers	Vollmer	

So the previous question was ordered.

The Clerk announced the following pairs:

For the session:

Mr. SCULLY with Mr. BROWNING.

Mr. HAMMOND with Mr. BURKE of South Dakota.

On this vote:

Mr. ELDER (for) with Mr. HOLLAND (against).

Mr. DOUGHTON (for) with Mr. HAMLIN (against).

Mr. FERRIS (for) with Mr. BORLAND (against).

Mr. DAVENPORT (for) with Mr. COADY (against).

Mr. HARRISON (for) with Mr. KINKAD of New Jersey (against).

Until November 15, on cotton bills:

Mr. WHITACRE (against) with Mr. RUSSELL (for).

Until further notice:

Mr. ANSBERRY with Mr. FESS.

Mr. STEPHENS of Nebraska with Mr. SLOAN.

Mr. FIELDS with Mr. LANGLEY.

Mr. LEE of Pennsylvania with Mr. ROBERTS of Nevada, except on war-tax bill or conference report.

Mr. GORMAN with Mr. FRENCH.

Mr. BUCHANAN of Illinois with Mr. CALDER.

Mr. O'SHAUNESSY with Mr. ROBERTS of Massachusetts.

Mr. BURKE of Wisconsin with Mr. BRITTEN.

Mr. CHURCH with Mr. COPLEY.

Mr. FOSTER with Mr. KELLEY of Michigan.

Mr. PALMER with Mr. MARTIN.

Mr. BROWN of New York with Mr. MERRITT.

Mr. WATKINS with Mr. SLEMP.

Mr. STEVENS of New Hampshire with Mr. PAIGE of Massachusetts.

Mr. MANAHAN with Mr. GREGG.

Mr. ADAIR with Mr. ANDERSON.

Mr. ALLEN with Mr. ANTHONY.

Mr. BALTZ with Mr. AUSTIN.

Mr. BATHRICK with Mr. AVIS.

Mr. CALLAWAY with Mr. BARTHOLDT.

Mr. CLANCY with Mr. BURKE of Pennsylvania.

Mr. CONNELLY of Kansas with Mr. CAMPBELL.

Mr. CONEY with Mr. CASEY.

Mr. CONNOLLY of Iowa with Mr. CHANDLER of New York.

Mr. CROSSER with Mr. CRAMTON.

Mr. DECKER with Mr. FREAR.

Mr. DEITRICK with Mr. GILLET.

Mr. DONOHUE with Mr. GOOD.

Mr. DRISCOLL with Mr. GREEN of Iowa.

Mr. ESTOPINAL with Mr. GUERNSEY.

Mr. FRANCIS with Mr. HAMILTON of Michigan.

Mr. GALLAGHER with Mr. HAYES.

Mr. GALLIVAN with Mr. HINEBAUGH.

Mr. GARNER with Mr. HOWELL.

Mr. GOLDFOGLE with Mr. HUGHES of West Virginia.

Mr. GORDON with Mr. HULINGS.

Mr. GRAHAM of Illinois with Mr. JOHNSON of Washington.

Mr. GUDGER with Mr. KAHN.

Mr. HELGESEN with Mr. KEISTER.

Mr. IGOE with Mr. KIESS of Pennsylvania.

Mr. KETTNER with Mr. J. R. KNOWLAND.

Mr. KITCHIN with Mr. FORDNEY.

Mr. KONOP with Mr. LEWIS of Pennsylvania.

Mr. LESHNER with Mr. LINDQUIST.

Mr. LONERGAN with Mr. MCGUIRE of Oklahoma.

Mr. MCANDREWS with Mr. MCKENZIE.

Mr. MCCLELLAN with Mr. MCLAUGHLIN.

Mr. MITCHELL with Mr. MADDEN.

Mr. MORGAN of Louisiana with Mr. MONDELL.

Mr. MOSS of Indiana with Mr. MOSS of West Virginia.

Mr. NEELY of West Virginia with Mr. J. I. NOLAN.

Mr. NEELEY of Kansas with Mr. NORTON.

Mr. O'HAIR with Mr. PETERS.

Mr. OGLESBY with Mr. PLUMLEY.

Mr. PETERSON with Mr. POWERS.

Mr. PHELAN with Mr. ROGERS.

Mr. REED with Mr. SELLS.

Mr. REILLY of Wisconsin with Mr. BROWNE of Wisconsin.



Mr. SABATH with Mr. SHREVE.  
 Mr. SELDOMBRIDGE with Mr. SLEMP.  
 Mr. SHACKLEFORD with Mr. J. M. C. SMITH.  
 Mr. SMITH of Maryland with Mr. SMITH of Minnesota.  
 Mr. SMITH of New York with Mr. STEPHENS of California.  
 Mr. STEPHENS of Nebraska with Mr. SUTHERLAND.  
 Mr. SUMNERS with Mr. SWITZER.  
 Mr. TAGGART with Mr. TEMPLE.  
 Mr. TALBOTT of Maryland with Mr. TOWNER.  
 Mr. TALCOTT of New York with Mr. VOLSTEAD.  
 Mr. TEN EYCK with Mr. WALLIN.  
 Mr. THACHER with Mr. WALTERS.  
 Mr. THOMAS with Mr. WILLIS.  
 Mr. UNDERWOOD with Mr. TREADWAY.  
 Mr. GARD with Mr. WOODRUFF.  
 Mr. WALSH with Mr. YOUNG of North Dakota.

Mr. HAMLIN. Mr. Speaker, I voted "nay" on this proposition, but I find I am paired with the gentleman from North Carolina, Mr. DOUGHTON, and I desire to withdraw my vote and answer "present."

The name of Mr. HAMLIN was called, and he answered "Present."

Mr. MANN. Mr. Speaker, I am paired with the gentleman from Alabama, Mr. UNDERWOOD, who is in conference; but as I voted the same way that he voted last night on the roll call, I shall let my vote stand. I think it proper to make the statement.

The SPEAKER. On this vote the yeas are 121, nays 95, answered "present" 10—a quorum. The Doorkeeper will open the doors. The question is on the passage of the resolution.

Mr. WINGO. Before that is done, I want to submit a unanimous-consent request. I do this at the request of the Committee on Banking and Currency. I ask unanimous consent that the rule be amended by inserting, after the word "enumerated," in line 3, the words "and H. R. 15038." That is a bill that should have been included in the rule. It is reported unanimously from the Committee on Banking and Currency.

The SPEAKER. The gentleman from Arkansas [Mr. WINGO] asks unanimous consent that the resolution be amended by inserting, after the word "enumerated," the words "and H. R. 15038."

Mr. WINGO. Mr. Speaker, if I may be permitted, as one or two have asked me what it is, I will explain that it simply adds these words to the present law. I ask unanimous consent for two minutes.

The SPEAKER. The gentleman from Arkansas asks unanimous consent for two minutes. Is there objection?

There was no objection.

Mr. WINGO. The present law authorizes member banks to discount acceptances which are based upon importation and exportation of goods to 50 per cent of their capital stock and surplus. This act proposes to amend that by adding these words to that part of the law "except by authority of the Federal Reserve Board, under such general regulations as said board may prescribe." In other words, it allows the Federal Reserve Board in these member banks to go beyond that limit. It is necessary that certain banks in Chicago and New York that deal in foreign acceptances may come into the system. This would permit them to come in.

Mr. FITZGERALD. It gives more latitude to the Federal Reserve Board?

Mr. WINGO. Yes.

The SPEAKER. The gentleman from Arkansas [Mr. WINGO] asks unanimous consent to offer an amendment to this resolution, which the Clerk will report.

Mr. WINGO. I will suggest, if the Speaker will permit me, that my request was that the rule be considered amended to that extent.

The SPEAKER. The Chair wants to ask one question.

Mr. MANN. Let the amendment be reported at the Clerk's desk.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

After the word "enumerated," in line 3 of the rule, insert the words "and H. R. 15038."

The SPEAKER. The Chair wants to ask the gentleman from Arkansas a question for his own guidance. This rule provides there shall be an hour and 30 minutes' debate on each one of the bills that is named in the rule. Now, does this request include an hour and a half for this bill, too?

Mr. WINGO. It would do that. There is no question about the effect of it.

Mr. THOMPSON of Oklahoma. Mr. Speaker, I object.

The SPEAKER. The Chair wanted to have an understanding. The gentleman from Oklahoma [Mr. THOMPSON] settles the whole thing by objecting.

Mr. HENRY rose.

The SPEAKER. The gentleman from Texas is recognized.

Mr. HENRY. Mr. Speaker, I will wait until the motion is put on the adoption of the rule.

The SPEAKER. The question is on the adoption of the rule. The question was taken, and the Speaker announced that the yeas seemed to have it.

Mr. SHERLEY. A division, Mr. Speaker.

The SPEAKER. The gentleman from Kentucky [Mr. SHERLEY] asks for a division. Those in favor of the adoption of this rule will rise and stand until they are counted. [After counting.] Eighty-six gentlemen have arisen in the affirmative. Those opposed to the adoption of this rule will rise and stand until they are counted. [After counting.] Forty-four gentlemen vote in the negative. On this vote the yeas are 86 and the noes are 44, and the resolution is agreed to.

Mr. HENRY. Mr. Speaker, I want to ask unanimous consent to modify the resolution to this extent, that there be one hour for general debate additional to what is already allowed, to be equally divided between the proponents of the amendment to the Senate bill 6398—the first one mentioned—and those opposed to that amendment.

The SPEAKER. The gentleman from Texas [Mr. HENRY] asks unanimous consent to modify the rule, so that on Senate bill 6398 there shall be two hours of general debate instead of one, one-half to be controlled by—

Mr. HENRY. That I shall control 30 minutes of the time and the gentleman from Virginia [Mr. GLASS] 30 minutes.

The SPEAKER. Who is to control 30 minutes?

Mr. HENRY. I will leave that to the Speaker. I will not make that request. The friends or proponents of the amendment to have 30 minutes and those opposed the other 30 minutes.

The SPEAKER. The gentleman from Texas asks unanimous consent that the rule be so modified as to extend the general debate on Senate bill 6398 and the accompanying amendment to two hours instead of one, and that half of that increased hour, or added hour, be controlled by the friends or proponents of the amendment and the other half by the opponents thereof.

Mr. TOWNSEND. Mr. Speaker, will the gentleman yield?

Mr. HENRY. Certainly.

Mr. TOWNSEND. I understood that the gentleman from Texas [Mr. HENRY] asked that this additional time be consumed in the discussion not of the bill but of the proposed amendment.

Mr. HENRY. That was the desire. That is the only reason why I put it that way.

Mr. TOWNSEND. Yes; but I understood the Speaker, in putting the motion, to make this hour usable either on the bill or on the amendment of the gentleman from Texas, and I supposed that those who oppose the gentleman's amendment would prefer that that time be confined exclusively to the discussion of the gentleman's amendment.

The SPEAKER. The gentleman from Texas asks that the hour additional on Senate bill 6398 be devoted to the discussion of the amendment thereto, which is incorporated in the rule.

Mr. SHERLEY. Mr. Speaker, I desire to inquire how the division of the other hour on this same bill is to be made?

Mr. HENRY. That is to be divided by the Speaker between those who favor the original bill—Senate bill 6398—and those who oppose it.

Mr. SHERLEY. Why not make your division of two hours into an hour on a side, on either side, without undertaking to give only an hour to the discussion of the cotton amendment instead of two hours?

Mr. HENRY. If there is no objection, then I will ask that the gentleman from Virginia [Mr. GLASS] be permitted to control half of that time in favor of the Senate bill.

Mr. SHERLEY. Let him control an hour of the time and you control the other, or some one else.

Mr. HENRY. There is only an hour on both sides at first, to start with, and this additional hour—

Mr. SHERLEY. That makes two hours. What is the good in dividing the time up into half an hour on a side on the cotton amendment? Why not divide the whole two hours into an hour on a side

Mr. HARDWICK. Mr. Speaker, if the gentleman from Texas will permit, I ask unanimous consent that the time for general debate on the Senate bill 6398 and the amendment thereto, proposed by the Committee on Rules, shall be extended from one hour to two hours, and that of the two hours of general debate thus provided the gentleman from Virginia [Mr. GLASS] shall control one hour and the gentleman from Texas [Mr. HENRY] the other hour.

The SPEAKER. This is in lieu of the other request?

Mr. HENRY. Yes.

Mr. MANN. Mr. Speaker, I will say to the gentleman that we shall want some time on this side.

Mr. HENRY. I will give the gentleman time.

Mr. FITZGERALD. On which side is the gentleman?

Mr. MANN. We shall want time not by grace, but by right. I suggest if there is going to be an extension of time for debate, it shall be an extension of time for debate under the five-minute rule, affording an enlarged right for amendment under the five-minute rule. If the gentleman wants to do that, I have no objection.

Mr. HENRY. I think the gentleman is quite right about that, and I have no objection.

Mr. MANN. I suggest to the gentleman that he make the request that the time for the consideration of the bill under the five-minute rule be extended from 30 minutes to an hour and 30 minutes.

Mr. HENRY. I did not catch that on account of the noise.

Mr. MANN. I suggest that the time for debate under the five-minute rule on the bill be extended from 30 minutes to an hour and 30 minutes instead of general debate.

Mr. HENRY. I have no objection to that.

Mr. GLASS. Mr. Speaker, this is a vital question that we are considering here, a very serious question, and I do not think it can be discussed in half an hour to a side; and I do not think the time ought to be divided up so that no Member of the House will have more than five minutes in which to debate a problem of this nature, and unless we can agree to an additional hour for general debate, to be controlled in such a way that we may have an intelligent discussion of the proposition, I shall object to any more addition of time.

Mr. MANN. Mr. Speaker, I ask unanimous consent that the time for debate under the five-minute rule on the first bill to be considered be extended from 30 minutes to an hour and 30 minutes.

The SPEAKER. The gentleman from Illinois [Mr. MANN] asks unanimous consent that the debate under the five-minute rule on the Senate bill 6398 be extended from 30 minutes to 1 hour and 30 minutes.

Mr. GLASS. Mr. Speaker, I feel obliged to object.

The SPEAKER. The gentleman from Virginia [Mr. GLASS] objects.

Mr. HENRY. Mr. Speaker, I ask unanimous consent, then, that the general debate be extended for one hour on the first-mentioned bill.

Mr. FITZGERALD. Put the two requests together.

The SPEAKER. Does that mean the bill itself, or the bill with amendments? The Chair wants to know.

Mr. HENRY. It means the bill with amendments—the bill S. 6398 and the amendments thereto—the time to be extended from one hour to two hours.

Mr. MANN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. Would it be in order, under the rules of the House, to discuss the amendment before it was offered?

The SPEAKER. The Chair thinks that technically it would not.

Mr. HENRY. I think it would.

Mr. MANN. It would not.

Mr. HARDWICK. It would be, unless some gentleman objected to it.

Mr. MANN. I would rather have time for real debate than for hot air.

Mr. HENRY. The request was to discuss the bill and the proposed amendment—to extend general debate for the purpose of discussing the bill and amendment.

The SPEAKER. Has this rule ever been printed?

Mr. MANN. Printed in the Record.

Mr. HENRY. The rule was printed in the Record this morning.

The SPEAKER. Then everybody is informed of what is in that amendment. If not, it is their own fault.

Mr. MANN. Nobody can tell what is in it after reading it.

The SPEAKER. That may be. The Chair does not know. The Chair would be inclined to rule that Members could talk about an amendment that was incorporated in a rule adopted by the House and printed in the Record. The gentleman from Texas [Mr. HENRY] asks unanimous consent that the time on the bill S. 6398 and the amendments thereto be extended from one hour to two. Is there objection?

Mr. MANN. I object.

Mr. BUTLER. The gentleman might put the two requests together.

Mr. HOUSTON. Put both requests together.

Mr. HENRY. Mr. Speaker, I submit one more request for unanimous consent. I ask unanimous consent that the time be extended 30 minutes for general debate and 30 minutes for debate under the 5-minute rule.

The SPEAKER. The gentleman from Texas [Mr. HENRY] asks unanimous consent that the general debate on Senate bill 6398—

Mr. HARDWICK. And the amendment.

Mr. HENRY. And the amendment.

The SPEAKER. The Chair understood the gentleman to ask 30 minutes on the bill and 30 on the amendment.

Mr. HENRY. The point was that I wanted the debate also to apply to the amendment in the general debate as well as under the 5-minute rule.

The SPEAKER. The gentleman from Texas [Mr. HENRY] asks unanimous consent that the time for general debate on Senate bill 6398 and the amendment contained in the rule be extended 30 minutes. That would make 2 hours altogether on it.

Mr. HENRY. That would make two hours and a half, Mr. Speaker.

The SPEAKER. Thirty minutes on the bill and thirty minutes on the amendment?

Mr. MANN. That would make an hour and a half for general debate and an hour under the five-minute rule.

Mr. HENRY. Yes; two hours and a half altogether.

Mr. MANN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. When the bill comes before the House, of course the gentleman from Virginia [Mr. GLASS] is entitled to recognition first. I do not remember what the rule provides as to division of time. He would ordinarily have control of one hour's time.

Mr. HARDWICK. Not under the rule.

The SPEAKER. Under the rule he could not have more than 30 minutes, because the time is divided equally between the friends and the opponents of the Senate bill.

Mr. MANN. Who will be recognized in opposition to the bill?

Mr. HENRY. Anyone opposed to the Senate bill.

Mr. MANN. No; I am asking the Chair.

The SPEAKER. The Chair will be disposed to recognize the gentleman from Virginia [Mr. GLASS].

Mr. MANN. He is in favor of the bill.

Mr. HENRY. He is in favor of Senate bill 6398.

Mr. MANN. Who would be recognized in opposition to the bill?

The SPEAKER. The Chair does not know.

Mr. HENRY. I am opposed to the bill until it is amended.

Mr. MANN. I am opposed to the bill whether it is amended or not.

The SPEAKER. The Chair thought the gentleman from Virginia [Mr. GLASS] was opposed to the bill.

Mr. HENRY. I hope you will get the time.

Mr. MANN. I am not willing to extend the time if gentlemen on that side of the House are to control it all.

Mr. HENRY. The gentleman from Illinois says he is opposed to the Senate bill whether it is amended or not. I think he would be entitled to recognition.

The SPEAKER. The Chair will recognize the gentleman from Virginia [Mr. GLASS] as the proponent of the bill to dispose of the time on that side and the gentleman from Illinois as the opponent of it to dispose of the time on that side.

Mr. HARDWICK. That is all right.

Mr. BARTLETT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BARTLETT. I desire to be informed, when will an amendment to this amendment be in order? Will it be under the five-minute rule?

The SPEAKER. Yes; there is no amendment in order until you get to the five-minute rule.

Mr. BARTLETT. One more parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman from Georgia.

Mr. BARTLETT. How will the Chair be governed in determining who is to be recognized for the offering of amendments to this proposed amendment?

The SPEAKER. The Chair will recognize anybody who has an amendment to offer. Of course the Chair supposes that the friends of this amendment which is incorporated in the rule have their understanding about who will offer that.

Mr. HAMLIN. Mr. Speaker, I think it is the general desire of Members to get away from here as soon as possible, and therefore I object to the request for the extension of time. [Applause.]

The SPEAKER. The gentleman from Missouri objects. The gentleman from Virginia [Mr. GLASS] is recognized for 30 minutes.



Mr. HARDWICK. Mr. Speaker, if the gentleman will yield a minute, I desire to ask unanimous consent to offer the amendment now, so that it may be pending during the general debate.

The SPEAKER. The gentleman from Georgia asks unanimous consent to offer the amendment at this time, so that it may be pending. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the Senate bill 6398 and the amendment offered by the gentleman from Georgia.

The Clerk read as follows:

*Be it enacted, etc.,* That section 1 of an act approved May 30, 1908, entitled "An act to amend the national banking laws," as heretofore amended in an act approved August 4, 1914, is hereby further amended so that the words "that no national banking association shall be authorized in any event to issue circulating notes based on commercial paper in excess of 30 per cent of its unimpaired capital and surplus" is amended to read as follows: "That no national banking association shall be authorized in any event to issue circulating notes based on commercial paper in excess of 75 per cent of its unimpaired capital and surplus."

SEC. 2. That the provisions and benefits of the act approved May 30, 1908, known as the Vreeland-Aldrich Act, and the amendments thereto, are hereby extended to all State banks and trust companies having a capital stock of not less than \$25,000 and a surplus of 20 per cent. Said banks and trust companies shall be required to pay upon notes so issued the tax provided for in said act as amended, and said notes shall not be subject to the provisions of the act of Congress approved February 8, 1875, entitled "An act to amend existing customs and internal-revenue laws, and for other purposes." The Secretary of the Treasury is hereby directed to make such rules and regulations as are necessary for the purpose of carrying out the foregoing provision.

With the following committee amendments:

Page 2, lines 4 and 5, strike out the word "seventy-five" and insert in lieu thereof the words "one hundred."

Page 2: Strike out all of section 2 and insert the following:

"SEC. 2. That the provisions of section 5202, Revised Statutes, shall not apply to contingent liabilities incurred by national banking associations by reason of membership in currency associations organized under the provisions of the act of May 30, 1908, as amended."

Amendment offered by Mr. HARDWICK to Senate bill 6398:

Add the following at the end of section 2:

"SEC. 3. That the Secretary of the Treasury shall deposit in national banking associations and in State banks situated in States producing cotton or tobacco, or both, the sum of \$250,000,000 or so much thereof as may be necessary to carry out the purposes of this act. The said Secretary shall make such deposits under the terms of this act and under such rules and regulations as may be prescribed by him to carry out this act. The deposits herein directed to be made shall be apportioned among the several States in accordance with the number of bales of cotton or pounds of tobacco produced therein during the year 1913, as ascertained by the Department of Agriculture. The Secretary of the Treasury, in lieu of the securities he is now authorized or required by law to exact of the banks in which the funds of the United States are deposited, is authorized and hereby directed to accept as security for the deposits directed to be made in this act cotton warehouse and tobacco warehouse receipts, where the cotton or tobacco thereby represented has been fully insured, at a valuation that represents the fair market value of the cotton or tobacco covered by such receipts. The deposits herein directed to be made shall be made only on the condition that the banks accepting such deposits will loan the same, under reasonable terms and conditions, at a rate of interest not to exceed 4 per cent per annum, to the producers of cotton or tobacco, or the owners of lands upon which the same was produced during the year 1914, and the said Secretary of the Treasury is hereby authorized to make all necessary rules and regulations concerning the terms and conditions under which these deposits shall be loaned by the banks that accept the same.

"SEC. 4. That the Secretary of the Treasury shall, in his discretion, either immediately cause to be prepared United States notes to the extent of \$250,000,000 to be used for the purpose of making the deposits in compliance with this act, which said notes shall have all the legal qualities of the United States notes now outstanding, and shall be of such denominations as the Secretary of the Treasury may prescribe, and said notes shall bear interest at the rate of 2 per cent per annum from the date of their issuance and shall be payable in gold coin of the United States or its equivalent on January 1, 1916; or he may sell not exceeding \$240,000,000 of Panama Canal bonds, heretofore authorized by law, at a rate of interest not exceeding 4 per cent per annum, and the act or acts heretofore passed authorizing the disposition of said bonds are hereby amended so as fully to authorize the disposition and use of such bonds as herein prescribed; or, in his discretion, the Secretary of the Treasury may use both the proceeds of the bonds and the notes in order to carry out the purposes of this act, not to exceed in the aggregate \$250,000,000.

"SEC. 5. That the Secretary of the Treasury shall not require the repayment of any deposit made under the provisions of this act prior to December 31, 1915.

"SEC. 6. That when the deposits herein authorized are called in by the Secretary of the Treasury the same shall be and become a part of a special fund, to be kept and held separate and apart from the general funds of the Government, for the redemption and retirement at maturity of the Panama Canal bonds in such cases and to such extent as the proceeds of such bonds have been used to make the deposits herein provided."

The SPEAKER. The gentleman from Virginia [Mr. GLASS] is recognized for 30 minutes.

Mr. GLASS. Mr. Speaker, I am going to venture to ask unanimous consent again that the time for general debate on this particular Senate bill be extended for one hour, one half of the time to be controlled by the gentleman from Illinois [Mr. MANN] and the other half by the chairman of the Committee on Banking and Currency. The measure is of such vital importance that we should have time to at least explain the meaning of the bill and the possibilities of the amendment.

The SPEAKER. The gentleman from Virginia asks unanimous consent that the time for general debate on Senate bill

6398 be extended one hour, which would make two hours of general debate upon that bill, 30 minutes of that time to be controlled by himself and 30 minutes by the gentleman from Illinois [Mr. MANN]. Is there objection?

Mr. DONOVAN. Mr. Speaker, reserving the right to object, will the gentleman state how much time for general debate on the different bills there is to be used; how much altogether?

The SPEAKER. The Chair will state that on each one of these bills there is to be an hour of general debate, and 30 minutes under the five-minute rule on each one, and the gentleman from Virginia [Mr. GLASS] now asks unanimous consent to extend the time for general debate on this one bill—Senate bill 6398—for one hour, one half to be controlled by the gentleman from Illinois [Mr. MANN] and the other half by himself.

Mr. DONOVAN. That will make four hours altogether?

The SPEAKER. It will make three hours of general debate on the two bills and 30 minutes under the five-minute rule on each bill, which will make altogether four hours of debate.

Mr. COX. Mr. Speaker, I object.

The SPEAKER. The gentleman from Indiana objects.

Mr. GLASS. Mr. Speaker, I yield 15 minutes of my time to my colleague [Mr. BULKLEY].

Mr. BULKLEY. Mr. Speaker, Senate bill 6398 as originally introduced was a very simple proposition, providing for the liberalization of the requirements of the Aldrich-Vreeland Act with respect to the issuance of emergency currency. It is believed by the Treasury Department and by the Federal Reserve Board and by the Banking and Currency Committees of both the Senate and the House that some liberalization of those requirements would be desirable at this time. There are three reasons why an exceptional amount of currency is now needed, two of them being unusual reasons. The first reason is that it is crop-moving time, and at that season there is always a large amount of currency required for circulation. In the second place, an exceptional emergency has arisen because of the European war, necessitating considerable gold exports and requiring currency to take the place of the gold needed for export. In the third place, the unsettled conditions and fear arising out of the war have resulted in a certain amount of private hoarding of currency, and this should be offset by the issue of emergency currency. Many banks do not own enough bonds which are available under the Aldrich-Vreeland Act as security for emergency currency to get as much currency as they would like to issue to meet this emergency. As we have now come to appreciate that commercial paper is the very highest and most liquid form of security, and as we have recognized that in passing the Federal reserve act, making commercial paper the basis of our future note issues, it is inconsistent to maintain the restriction imposed by the Aldrich-Vreeland Act on the availability of commercial paper as security for note issues.

The amount of emergency currency that banks may issue under the Aldrich-Vreeland Act as amended by the act of August 4, 1914, is 125 per cent of their unimpaired capital and surplus, but only an amount equal to 30 per cent of unimpaired capital and surplus may be issued against commercial paper. This bill proposes to increase the amount that may be secured by commercial paper from 30 per cent of the capital and surplus of the issuing banks to 100 per cent. The Senate bill provided for an increase to 75 per cent, and the House committee proposes an amendment increasing this to 100 per cent. One hundred per cent of the capital and surplus is the amount that is asked for by the Treasury Department and the Federal Reserve Board, and we believe that the adoption of 75 per cent in the Senate was due to a misapprehension.

Mr. SMALL. Mr. Speaker, will the gentleman yield?

Mr. BULKLEY. Yes.

Mr. SMALL. Will the gentleman please tell us what is commercial paper as defined by the Treasury Department under the Federal reserve act, and also under the Aldrich-Vreeland Act?

Mr. BULKLEY. Commercial paper is that arising out of a commercial transaction; that is to say, out of a live transaction not involving any fixed investment—a transaction with respect to the production or movement of goods on their way to consumption. The reason why it is exceptionally good security is that at the end of a certain time the goods on which it is based are to be consumed, and therefore must be paid for. Thus, commercial paper is the most liquid security there is, because it has to be paid when the goods are consumed.

This bill, simple as it was in its original form, has been made the vehicle for an attempt to finance the much-discussed cotton situation. In the Senate that attempt was manifested in the addition of section 2, an amendment adopted by the Senate providing for the extension of the privileges of issuing emergency currency to State banks and trust companies. The amendment



is important and far-reaching, but I think is not going to be insisted upon now, because it is recognized that the need in the financing of the cotton situation is not so much an addition to the supply of currency as it is a market for the cotton.

Mr. STAFFORD. Will the gentleman yield?

Mr. BULKLEY. I will.

Mr. STAFFORD. I would like to have an impression confirmed. This amendment to the Aldrich-Vreeland bill will terminate on June 30, 1915, will it not?

Mr. BULKLEY. The whole Aldrich-Vreeland law and all amendments will expire by limitation on the 30th of June, 1915.

The Treasury Department prepared a memorandum stating its objections to section 2 of the Senate bill, which the House committee proposes to strike out. These objections are set forth in full in the committee report, and my time is so short I shall not have a chance even to enumerate them. The most important objection is that the provision opens the way to inflation. It is estimated that section 2 of the Senate bill would make possible the issuance of an additional \$1,600,000,000 of emergency currency, all made redeemable in gold at the Treasury, forthwith, and no adequate means provided for its redemption.

Another objection is that the section would make an unfair discrimination against the national banks, because in towns of more than 3,000 inhabitants national banks can not be organized with a capital as low as \$25,000; yet this section would allow State banks of that capitalization to get the benefits of the Aldrich-Vreeland law.

It is not clear that the amendment would require currency associations organized under the Aldrich-Vreeland law to accept State banks as members, but such is the natural and almost necessary construction. This would involve an unfairness in that banks which become members of any currency association become liable for notes issued by all members of the association, and the double liability of stockholders of national banks would not be matched by the State institutions.

A very serious practical objection to section 2 as an emergency relief measure lies in the fact that it would be impossible to prepare the plates to make the currency for the State banks within the time the emergency is likely to exist. Indeed, it is not possible to state that all of these plates could be prepared even before the act expires by its own terms on the 30th of June, 1915.

The other amendment proposed by the committee is to amend section 5202 of the Revised Statutes. That section now provides:

No national banking association shall at any time be indebted, or in any way liable, to an amount exceeding the amount of its capital stock at such time actually paid in and remaining undiminished by losses or otherwise, except on account of demands of the nature following:

First. Notes of circulation.

Second. Moneys deposited with or collected by the association.

Third. Bills of exchange or drafts drawn against money actually on deposit to the credit of the association or due thereto.

Fourth. Liabilities to the stockholders of the association for dividends and reserve profits.

Fifth. Liabilities incurred under the provisions of the Federal reserve act.

Now, banks issuing emergency currency under the terms of the Aldrich-Vreeland law are required to guarantee all emergency notes issued by all members of their own association. They therefore assume a contingent liability for the obligation of the other banks in the association, and the inhibition of section 5202, if strictly applied, would practically prevent banks from joining these associations and taking out any emergency currency at all. This question has never come up and has never been ruled upon, yet it is certainly desirable to make it clear once for all that that inhibition does not apply to the contingent liability incurred by banks joining these associations.

I turn now to the question presented by the amendment reported from the Rules Committee and by the rule made in order on this bill. This amendment is one of a number of proposals made during the past few weeks for the relief of the cotton situation.

What is the cotton situation? The market of one of our greatest agricultural products is in a state of complete demoralization. The great European war resulted in the closing of mills and stopping of commerce to such an extent as seriously to impair the market for cotton and greatly to depress its price. What then? Prompt action on the part of the spinners to take advantage of the low price? Not at all. The low price and unsettled condition of the market served to create such uncertainty that spinners were afraid to buy, lest cotton might go still lower. The low price caused fear and hesitation. These caused still lower prices, which, in turn, seemed to justify and intensify the fear and hesitation. A crop which a few weeks ago was reasonably supposed to be worth a billion dollars is worth at to-day's nominal prices perhaps one-half that amount. I say

nominal prices because just now there is no substantial demand at any price.

A loss of one-half the value of a year's labor is one that must be serious to anyone. Even if such a loss were due to the negligence or other fault of the loser, it would be hard to bear. If it were due to errors of business judgment, it would be hard to bear. If the loss could be foreseen, it would be hard to bear. But this year the cotton farmer was guilty of no negligence, having produced a splendid and bountiful crop. He was guilty of no error of business judgment in producing what the experience of years has shown to be a common necessity of the world. Yet he is now confronted with a loss which he could by no possibility have either foreseen or averted. His plight must appeal to our sympathy.

But it is doubtful whether sympathy alone, if nothing else were involved, should compel our action. It is seldom, indeed, that a great Government can take cognizance of individual misfortune, and sympathy in the business reverses of individuals or groups of individuals is an unsafe basis for legislation by Congress.

In the case before us, however, the aggregate of individual losses is so great as to constitute a national calamity. If cotton does not get some support, our national loss in the price of that part of the crop raised for export will be as much as the cost of the Panama Canal. Does anyone believe that such a great economic loss can be absorbed in one year by a few Southern States? Of course it can not. Every State and every section of our country will suffer through the business failures and diminished purchasing power of the Southern States unless this extraordinary situation can be met.

The situation is unprecedented, and therefore we must not be surprised if unprecedented proposals are made for its relief. Under the present circumstances we must not condemn a proposition merely because it is unprecedented.

But in a matter of so great importance we must carefully scrutinize relief measures, and we must reject those which are not adapted to meet the real needs of the situation and those which are contaminated with financial unsoundness.

Propositions have been made to increase the circulation, though it must be clear that circulation will be adequately provided for by existing law and the bill now under consideration as reported by the committee. The existing law, with the amendment now proposed by the committee, is amply liberal to meet currency needs, and yet contains abundant safeguards against inflation. Inflation seems to have no terrors for some Members of this body who, in their proper anxiety to relieve a desperate situation, seem willing to take chances with the integrity of our circulating medium. They argue that since one hundred and fifty millions of gold reserve will support three hundred and fifty millions of notes, therefore the same reserve will support six hundred or seven hundred millions. The fallacy must be apparent, and especially so in the light of the experience of 1893, when the inadequacy of reserves caused a run on the Treasury and sent gold to a premium. Time available does not permit an enumeration of the dangers of inflation or of casting any doubt on the integrity of the American dollar. Any risk of that sort is too great a price to pay even to relieve our distressed friends in the South or to save half a billion dollars. We can not risk a breakdown of our whole financial structure, for that would vastly spread the distress and multiply the economic loss.

Now, this amendment proposes to permit the Secretary of the Treasury to issue two hundred and fifty millions of legal-tender notes without increasing the gold reserve which supports them. It is true the notes proposed are not immediately redeemable in gold, and it seems that the proponents of this amendment are very properly willing to admit that it would be a dangerous proposition to make them so immediately redeemable. But by the terms of this provision they are redeemable on and after January 1, 1916. The day of reckoning is delayed only a few months. Then what? Since the proposed deposits can not be recalled before December 31, 1915, there must follow necessarily either repudiation or a bond issue. And who knows how a bond issue would fare in such a market as may develop after another year of European war? Meantime the inflation could begin. The proposed legal-tender notes would be reserve money for banks, and as such would provide the basis for expansion, which would make more difficult the adjustments on the day of reckoning; or these notes might displace gold as bank reserves, drive it out of the country, and make it trebly difficult to secure when sorely needed in 1916. The attempt of the authors of this proposition to avoid the evils of inflation is absolutely ineffective.

But there is an option given the Secretary of the Treasury to meet the situation in another way—by the issue of bonds, bonds to the amount of \$250,000,000.



The President of the United States came to this Hall a few weeks ago to ask that \$100,000,000 be raised by additional taxation. Well knowing the unpopularity of any new tax, well knowing that Panama bonds have already been authorized to an amount much greater than that now required, he none the less had the courage to analyze and to face the actual situation. "To sell bonds would be to make a most untimely and unjustifiable demand on the money market." Those were his words. Do you who propose this bond sale intend deliberately to repudiate his sound judgment? When he has refused to sell one hundred millions of bonds to meet the necessities of the Government and assigned as a reason that it would be an untimely demand on the money market, do you seriously propose to sell bonds to the amount of two hundred and fifty millions to give a relief which at best could be given only by taking a very liberal view of the functions of the Federal Government? If you could pass such a bill, what would be its fate when it should be presented to the President for his approval? In all seriousness, could he consistently perform his duty otherwise than by vetoing it? And a veto would end the hope of the needed and legitimate relief which the committee bill will afford.

Mr. Speaker, our duty is plain in the premises. There is a great emergency which, in my candid judgment, ought to be relieved by Federal aid. But the method proposed offers to the Secretary of the Treasury a choice between inflation and fiatism on the one hand, and on the other hand demoralization of the money market and the Government credit, for such would be the result of attempting a bond sale two and one-half times as large as one which the administration has repudiated as being too great under the present conditions. We must have the courage and patriotism to vote down such a proposition.

Mr. BARTLETT. Mr. Speaker, will the gentleman yield for a question?

Mr. BULKLEY. Yes.

Mr. BARTLETT. How does the gentleman think this bill here will aid the cotton situation?

Mr. BULKLEY. The bill that we propose?

Mr. BARTLETT. Yes.

Mr. BULKLEY. I endeavored to explain that the bill was not designed to meet the cotton situation. I do not think that it does meet it. I think that we ought to meet the cotton situation in some other way.

Mr. BARTLETT. I am speaking about the bill which the gentleman's committee reported.

Mr. BULKLEY. I am speaking about the bill we reported. It was not designed to meet that situation. It was designed to liberalize existing provisions for the issue of emergency currency.

Mr. BARTLETT. Then I misunderstood the gentleman. I understood him to say that this bill as reported would in a measure relieve the situation.

Mr. BULKLEY. It will in a measure; but it will not meet fully the situation, and it is not pretended nor presumed that it does. I said that it would adequately take care of what is needed by way of circulating medium, and I contend that the question that confronts the cotton growers is not one of a circulating medium, but the lack of a market.

The SPEAKER pro tempore (Mr. CRISP). Does the gentleman from Illinois desire recognition? The Chair is advised that the gentleman from Illinois [Mr. MANN] and the gentleman from Virginia [Mr. GLASS] control the time.

Mr. MANN. I do not know whether the gentleman from Virginia [Mr. GLASS] desires to proceed or not.

Mr. GLASS. I would rather that the gentleman from Illinois would use some of his time.

Mr. MANN. I yield one-half of my time to the gentleman from Texas [Mr. HENRY].

Mr. GLASS. Mr. Speaker, I yield five minutes of my time to the gentleman from Texas, also.

Mr. HENRY. Mr. Speaker, that gives me 20 minutes?

The SPEAKER pro tempore. The gentleman from Texas has 20 minutes.

Mr. HENRY. After I have proceeded for five minutes, I wish the Speaker would notify me.

Mr. Speaker, I desire briefly to refer to the amendment offered by the gentleman from Georgia [Mr. HARDWICK]. That amendment is in strict accord with the Democratic traditions of more than 100 years. It provides for the issuance of United States notes. It provides for the issuance and sale of Panama Canal bonds. There have been two theories in this country about the issuance of currency—one that the banks should issue all the currency, and the other that the Government itself should issue it. When the Federal reserve act was passed we abandoned the theory that the banks should

issue any of the currency, and that act, in section 16, provides that the United States notes hereafter to be issued shall be called "Federal reserve notes," and shall be the obligations of the Government of the United States, and shall be payable in gold. Therefore Congress has said that hereafter all paper money shall be issued by the Government and not by corporations and banks, as heretofore.

What is the Democratic faith as expressed in their platforms on that question? Let me read this part of the platform of 1896, which was not only the fundamental faith of our party in that year, but has been the doctrine of the Democratic Party since the first platform on the subject was written in New York in the early part of the century. It says:

Congress alone has the power to coin and issue money, and President Jackson declared that this power could not be delegated to corporations or individuals. We therefore denounce the issuance of notes intended to circulate as money by national banks as in derogation of the Constitution, and we demand that all paper which is made a legal tender for public and private debts, or which is receivable for dues to the United States, shall be issued by the Government of the United States, and shall be redeemable in coin.

It is the sovereign function of this Government to coin gold and silver and to issue paper money redeemable in coin, or in gold, if you please.

Therefore this bill proposed by the gentleman from Georgia is bottomed on that plank of the Democratic platform. It is founded on numerous platforms that our party has adopted. It proposes nothing new and untried, but travels the beaten paths a century old. Therefore we are within our rights when we call upon this Government to exercise its sovereign functions and issue \$250,000,000 of "United States notes with all the legal qualities of the United States notes now outstanding," and to deposit those notes—the currency of the people—in the National and State banks of States in order that they may be loaned to the distressed growers of cotton and tobacco on terms fixed by this Government.

Gentlemen, is there any objection to a proposition of that sort? It can be defended anywhere. If I had the time I could elaborate on those propositions, but it is not necessary. I say to this House that the Aldrich-Vreeland Act, having utterly failed to get the currency to the American people, and the Federal Reserve Board, which is being most tardily organized, having failed to respond to the needs of the people, it is the duty of the Representatives in Congress to supply an adequate amount of currency as provided in this bill. [Applause.]

The SPEAKER pro tempore. The five minutes have expired.

Mr. HENRY. Mr. Speaker, I reserve the balance of my time.

Mr. MANN. Mr. Speaker, I yield to the gentleman from New York [Mr. PLATT].

Mr. PLATT. Mr. Speaker, I feel very doubtful about this amendment to the Vreeland-Aldrich Act allowing banks to take out emergency currency on commercial paper alone equal to the amount of their capital and surplus. I opposed it in committee, if I remember rightly, on the ground that the emergency currency is a taxed currency, and that it is taxed to promote its retirement on the theory that most of it is bond secured.

By amendment passed soon after the outbreak of the European war, on August 4, the amount of emergency currency that can be issued was increased to 125 per cent of capital and surplus of banks, raising the limit from \$500,000,000 to about \$1,500,000,000, but it is evident that that amendment was unnecessary, as less than \$400,000,000 has so far been taken out. Southern banks have not taken out all they have security for under the act as it is at present. The chairman of the Committee on Banking and Currency has stated that they could call for \$151,000,000 more. When the amendment of August 4 was passed, the Secretary of the Treasury was unwise enough to tell the cotton farmers that there would be an abundance of currency for everybody, and that cotton farmers would have full relief from it. Now, nothing of the sort has happened. As a matter of fact, additional currency sent to southern banks will not stay there but comes back to New York, and that is because of a natural economic law. Business is dull in the cotton sections of the South, just as it is in some of the northern towns, where factories have been closed and men are out of work because of the tariff reduction, and where business is dull less currency is required than before, and not more currency. Neither the increase of emergency currency provided in this bill nor the issue of \$250,000,000 of greenbacks provided in the amendment of the gentleman from Texas can do the cotton farmers any good. These propositions merely raise false hopes, and so hurt instead of helping the cotton farmers. The banks have already loaned all they can safely loan on cotton under present conditions. There is only one thing to do for cotton, and that is to provide a market for it, get somebody to buy it, so that it can become again good security.



The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HENRY. Mr. Speaker, I yield three minutes to the gentleman from Tennessee [Mr. McKellar].

Mr. McKELLAR. Mr. Speaker and gentlemen of the House, I can not do more than to tell you something about the actual situation as it is in the South. Some of the gentlemen on the other side want to know why it is that the present emergency currency that is being issued can not do this work. The principal reason is that down South, gentlemen, we have no banking system for the producers. This money that goes into the national banks under the emergency-currency system does not go to the producers of cotton. These producers are all indebted for advances in making their crop. They have got to dispose and will dispose of their crops within the next 60 days. Their necessities are such that they can not keep it longer. Unless they can get relief now, it will be too late, and they will have to give up their crops for not exceeding one-half of what it took to raise those very crops.

Mr. SHERLEY. Will the gentleman yield?

Mr. McKELLAR. Why, certainly.

Mr. SHERLEY. Why is it that the money does not go to these people?

Mr. McKELLAR. For the reason that I will explain to you more carefully. They have not a banking system, because in all of the Southern States they have an exemption of \$1,000 and a homestead exemption of another \$1,000 on real estate. Therefore you gentlemen can see that the small farmer or producer can not make bankable paper. In addition, the majority of banks in our section are State banks, which are not entitled under the law, and who do not receive, any of this emergency currency.

Mr. SHERLEY. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore. Does the gentleman from Tennessee yield to the gentleman from Kentucky?

Mr. McKELLAR. I regret I can not yield, because I have but three minutes. He can not make bankable paper. He can put up his cotton, where he owns the cotton, under the terms of this bill; and if such a bill as this is passed, it will offer great relief to him.

Now, gentlemen, are we violating any precedent here? Why, we are doing the same thing in this bill for the actual producers of cotton that the Secretary of the Treasury is now undertaking himself to do through the national banks. We are not departing from any established precedent. The Secretary of the Treasury is directing the national banks of the South to lend out money on this same kind of security and under exactly the same conditions that we are directing it to be done in this bill.

Now, what does it do? This bill merely enlarges the powers of the Secretary of the Treasury; it enlarges his ability to meet the situation. The distinguished gentleman from Ohio [Mr. BULKLEY] has just said, and every man who has spoken here has said, that it is a situation that has to be met and that our National Government ought to meet. Now, we people of the South have agreed upon a measure of relief, and we ask you, our friends from all over this country, to stand by us in this legislation.

The substance of this bill is that the Secretary of the Treasury is authorized and empowered either to issue \$250,000,000 of Treasury notes or sell \$240,000,000 of Panama Canal bonds, or both, and he is directed to deposit the notes or proceeds of the bonds in national or State banks in the cotton and tobacco producing States, to be loaned out to producers of cotton and tobacco in such a manner as will aid them, and in precisely such a manner as the Government of this country is now doing.

Now, Mr. Speaker, I submit that if this bill should pass that there is no question of fiat money raised here. There is no question of inflation presented in this bill. It is true that the Secretary is authorized to increase the currency by \$250,000,000, but he is only given a discretion in the bill to do so, and if he thinks there ought not to be any increase in the currency of the country he can issue the bonds instead, or, in his discretion, he may do both. The passage of this bill would not affect our financial system in the slightest. There is no change of any kind, nature, or description in our financial policy proposed. If the Secretary of the Treasury issues the Treasury notes it is no more than what we have done before. There are three hundred and forty-six millions of Treasury notes now outstanding, yet they are absolutely good. On the other hand, if he concludes to issue the bonds, as I believe he will should the bill be passed, it will only be what has been done many times before. Why, there is a bill in this House now, the Alexander shipping bill, which has been approved by our Democratic administration, which would authorize a sale

of some of these very Panama Canal bonds. So that, I say, in so far as this feature of the bill is concerned, there is no change of governmental policy. There is no departure from precedent in it.

But it is claimed that the banks are directed to loan the money to the producers upon cotton as security; that this would be constituting a departure from the established financial policy of the Government. In this, Mr. Speaker, I submit that our opponents are in error. Time and again has this Government even lent money directly to its citizens. Time and again has this Congress in times of emergency, sometimes great emergency and sometimes small emergency, lent money to its citizens. Even more than that; in many instances we have given our citizens money to tide them over after great disaster. We appropriated money for them in Cuba in 1897. We appropriated money for them in the great earthquake in California. We have appropriated money for the flood sufferers along the Mississippi and Ohio. We have appropriated money for the Salem, Mass., fire sufferers, and but recently, as we all know, we have appropriated three and a half million dollars and lent it out to those of our citizens who were traveling abroad, without taking any security for it; and yet, in so far as actual suffering is concerned, those citizens traveling in foreign countries have not suffered as much as the southern cotton growers have since this war began. In addition to that, we have appropriated money and sent it to Italy to relieve those in distress. We have sent money to Mexico and, I believe, to China to relieve suffering and distress. But gentlemen may claim that these appropriations were gifts and are not parallel cases. If that be so, then I will submit parallel cases. A bank is just as much an individual under the law as a private citizen, and it is the fixed policy of this Government to lend money to banks in times of emergency. In 1907 the Government came to the rescue of the stock-and-bond market in New York by lending the banks some forty-two millions of dollars to tide these commercial enterprises over.

Only in 1913 the present Secretary of the Treasury most wisely extended this policy by lending large sums of money to banks in the farming States to lend out for crop-moving purposes. Only recently this same splendid Secretary of the Treasury has directed national banks, to which banks he has lent the Government's money, to lend that money out to farmers upon warehouse receipts of cotton as security. The truth is that the Secretary of the Treasury has taken the lead in extending this sound and effective financial policy of the Government, giving this aid where it is most needed to promote the commercial interests of the country. But under the law he has no power to do more. We should give him greater power.

The provisions in this bill are in direct line with the present policy of the Secretary of the Treasury in this regard. It simply goes one step farther and gives more authority to the Secretary of the Treasury to do for certain industries in a larger and more complete and a more effective manner just what he has been doing for all industries all during his tenure of office and more recently for these same industries. The Secretary has no power now under existing law to extend specific relief to the cotton producers of the South in this great emergency. This bill simply gives him the power to extend a larger measure of relief in this emergency to these people. Is there any danger about it? Not the slightest. The national banks under the supervision of the Secretary of the Treasury are now making loans on cotton. This bill provides that these same national banks, as well as State banks, under the direction and supervision of the Secretary of the Treasury shall simply enlarge their business by lending this specific sum appropriated in the bill to cotton producers for their relief in this emergency. Unless these banks fail to do their duty, unless they fail to take proper collateral and make safe loans, and I believe that no one will say that any such thing will occur, then it is impossible for injury to come. I do not believe there is a gentleman from the cotton States in this House, or elsewhere for that matter, who will believe for a moment this Government will lose a single, solitary cent by making the loans to the banks to be in turn made to producers of cotton as provided in this bill.

So that, Mr. Speaker, I submit to this House that this bill is directly in line with the financial policy of this Government. It is abundantly upheld by precedents. There is no departure from established policy. There would be no inflation of the currency. There would be no change in system, but it will simply be an enlargement of our present policy.

I was astonished on Friday when I listened to the argument of my friend from Virginia [Mr. GLASS]. I followed Mr. GLASS in his currency legislation. He was my leader. He is an able



and splendid man. The legislation proposed by him is great legislation. His arguments in favor of it were among the best arguments that I have heard in this House since I have been a Member here. Feeling this way toward Mr. GLASS, I could not but be astonished at the reasons he proposed on last Friday for his opposition to this legislation. He said that it had been tried by the Confederate States and it had proven a failure, and that we were inviting the United States Government to do just what the southern Confederacy was unable to do.

Mr. Speaker, the southern Confederacy had a constitution exactly like the United States Constitution, with a few trivial differences, and that was a failure because the Southern States failed. Will the gentleman say because the constitution of this southern Confederacy failed that we should not uphold our Constitution, which is just like it? Not only the financial policy of the southern Confederacy failed, but every other policy of the Confederacy failed because that Government itself failed, and to me the precedent relied on by the distinguished gentleman from Virginia is wholly and absolutely without any point at all. The Confederacy had a commander in chief of the army, one of the most gallant military chieftains the world ever knew, and he failed. Would the gentleman from Virginia be opposed to having a commander in chief of an army because the Confederate commander in chief had failed? The Confederacy had a congress, and it failed. Would the gentleman from Virginia desire to abolish the American Congress because the Confederate congress of like kind and character failed? These questions surely answer themselves.

Again, the gentleman from Virginia placed his objection on the ground that it would bring about a depreciated currency. My answer to that is that the gentleman from Virginia must not have read the bill. As I have said heretofore, he is too able and keen sighted a statesman to have read the bill and not to have known that under the present administration there could be no inflation of the currency in carrying out its provisions.

Mr. Speaker, in considering the cotton question I have been astonished at two different political situations about it. One is the apparent willingness on the part of many of our northern friends to aid us in this time of great emergency. The other remarkable phase of the situation is that a number of our own southern Congressmen and Senators should take the antagonistic position that they do. A number of them now find that for the banks to lend the cotton producers this money by the Government upon a perfect security along lines precisely the same that are now being pursued by the Government is an awful thing, and yet many of those same gentlemen only a few weeks ago voted to lend three millions and a half dollars to those of our pleasure-loving citizens who were traveling abroad and who needed money without taking the slightest security from them, and in addition to that furnished a battleship to take the gold to them.

I want to say to my southern friends who take this view of it that I do not know what the people of your districts may think, but I believe that the people of my district feel that this is a question that only the United States Government can solve; that this is a question that the United States Government is empowered, under the Constitution, to solve; and that this is a question that their own Representatives in Congress ought to solve for the protection and benefit of the distressed people of our southern country. We are here to legislate for the general welfare of our whole country.

We have no right to attempt to put upon others the work which we are sent here to do. This is a national problem, not a State problem. This sure is a public calamity, not a private misfortune.

Now, Mr. Speaker, a word or two about this unfortunate situation.

A system of indirect relief through banks does not provide for the producer of cotton. In my judgment, it is the duty of Congress to provide adequate banking facilities for the producers of all of our crops. It ought to be one of the highest functions of Government to see that the producers of all crops have such banking facilities that they may get adequate money and supplies for producing their crops at a reasonable rate of interest, and for the purpose of performing the most important function of life, and that is to produce the necessary means of existence out of the soil for all of our people. The Government has not yet done so. If this war continues, within a period of two months there will practically be no cotton in the hands of the original producer. It will have been taken by the merchants at these ruinous prices in payment of their debts, or it will have been sold by the farmer to obtain the necessities of life, and when the change comes and the price goes up, as necessarily it

must upon the close of this war, the merchant who is able to get banking facilities to tide him over will get all the increase, while the farmer, the man who produced it, will not have gotten even the cost of production. This situation has caused and will cause the keenest distress to the farmers. It will cause bankruptcy and ruin to many of them. He does not ask and we do not ask for him any charity. He does not ask and we do not ask for him that the Government shall give him a price regardless of its market value. He is not a mendicant, and we are not applying to Congress on that ground, but we merely ask that the Government of the United States will do him the simple justice to provide him loans, upon his giving ample security therefor, so that he may take care of his crop until these conditions change, which conditions have been brought about through no fault of his own. It violates no principle of government. What is government for unless it is to protect its citizens in the time of disaster or misfortune?

If any of our citizens on the coast should be threatened by a foreign foe, would we hesitate in using all the forces of the Government to protect that city? If American citizens are threatened, the forces of the Government are there to protect them. It is the highest function of government to protect each and every one of its citizens in their lives, liberty, and property, and in asking that this measure pass we are merely asking for the cotton producer just what many other citizens in times of emergency ought to have the right to ask. It is the highest function of government to supply an adequate currency system to meet all emergencies.

Some gentlemen say that if we do this for cotton that we ought to do it for copper, and for lumber, and for canned goods, naval stores, and various other commodities. I do not believe that any reasonable gentleman has any such view as that. Cotton is in a different shape from any of those commodities. Corn and wheat and cattle and hogs are in a nearly similar attitude. If wheat was in a distressed condition or if corn was in a distressed condition, or cattle and pork, there would be an analogy; but to say there is an analogy between cotton and canned goods, where the exportation of cotton amounts to one-fourth of all our exportations and canned goods about one-fourth thousandth of all our exportations, to my mind, is ridiculous and not worthy of consideration.

Mr. Speaker, this amendment ought to be adopted, and I sincerely trust it will be adopted.

The SPEAKER pro tempore. The time of the gentleman from Tennessee has expired.

Mr. McKELLAR. I ask unanimous consent, Mr. Speaker, to extend my remarks in the Record.

The SPEAKER pro tempore. The gentleman from Tennessee asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. HENRY. Mr. Speaker, I now yield to the gentleman from Alabama [Mr. HEFLIN].

The SPEAKER pro tempore. The gentleman from Alabama [Mr. HEFLIN] is recognized.

Mr. HEFLIN. Mr. Speaker, some of our northern brethren in both parties do not understand our condition, or they have but little sympathy with us. I can not understand why anyone here would oppose this bill. It provides for the issuing of additional currency. It will not take out of circulation a single dollar now working in other sections of the country, but it will provide the money necessary to help the producers of cotton out of a very distressing condition. Will Members here withhold this measure of relief from us? If the banks can not or will not respond to our call, and if the Congress refuses to grant us relief, we will be forced to call upon the States to do the thing that will relieve us, and that is to pass a stay law suspending the payment of all debts for a stated period of time. We shall regret to have to do this, but we do not propose to permit the conditions created by a foreign war to rob the producers of cotton and impoverish the farmers of the South. [Applause on the Democratic side.] As a last resort we shall employ the powers of these cotton States to save our people from bankruptcy and ruin. We do not propose to sell this crop at the present price. Make up your minds to that. If necessary, I shall appeal to every State that produces cotton to join a movement for a stay law. [Applause.]

Mr. HENRY. Mr. Speaker, I yield to the gentleman from South Carolina [Mr. BYRNES].

The SPEAKER pro tempore. The gentleman from South Carolina [Mr. BYRNES] is recognized.

Mr. BYRNES of South Carolina. Mr. Speaker, in addition to all that has been written and stated on the floor of this House about the condition of the southern cotton grower at



this time I desire to quote from a letter written by a North Carolina journalist, in which he says:

"By October 2, 1913, the American mills had taken 598,668 bales and the exporters 1,238,848, which together, at \$60 a bale, brought the planters \$110,250,960, enabling them to pay the pickers and to settle their pressing obligations to the merchants and banks, and putting \$100,000,000 into circulation, to the relief of the local banks.

"This year, to October 2, the takings were: By northern mills, 173,424 bales; southern mills, 147,613 bales; for export, 149,109 bales; making a total of 470,146 bales. At 8 cents, or \$40 a bale, this brought the planters \$18,805,840.

"More than 3,000,000 bales had been picked and ginned by that date, at an expense of \$10 a bale. The cost to the planters was \$30,000,000. It is apparent that the sales have not enabled the planters to pay the pickers. The picking has to some extent increased the debt of the planters, unless the buy-a-bale movement has supplied the deficit.

"Picking is now in progress at its maximum, costing more than \$1,000,000 a day. It must be paid for or the cotton on the fields will be damaged—perhaps lost.

"The American mills are probably to continue their close buying, and the situation in Great Britain offers no hope of change. The consumption, as stated in the Liverpool market, for the week ended September 18 was only 29,651 bales, while the consumption from September 1 to September 18 in 1913 was 441,252 bales.

"The stock at Liverpool September 18 is given at 854,770 bales, rather more than a month's supply under normal conditions and nearly four months' supply at the present rate of consumption. We may not, therefore, expect any great demand for export at present. Evidently the banks and merchants in the South will have to make other advances to the planters for some time yet, instead of being now put in funds by the payment of existing debts. If it be said that the planters should not hold their cotton, but should sell it and pay their debts, in response the question may be asked, To whom are they to sell it?

"The mills will not buy; the exporters are not in the market; and a reduction of the price to 6 cents will avail nothing."

The pending amendment is offered in order to relieve this condition. It provides for \$250,000,000 of notes bearing 2 per cent interest, or for the sale of \$250,000,000 of Panama bonds, the money to be deposited by the Secretary of the Treasury in the State and National banks of the South upon the condition that it be loaned to the producers of cotton and tobacco at a rate of interest not to exceed 4 per cent. While nearly every Member of this House realizes the condition in which the people of the South find themselves to-day, and a large number are willing to admit that it has become a national question demanding action by the Federal Government, some oppose this bill on the ground, first, that the issuance of notes would amount to a dangerous inflation of the currency; second, that Panama bonds could not be sold; third, that the Government has no right to deposit money in banks upon condition.

To-day the Government has in circulation \$346,000,000 of notes. This amount of greenbacks, together with all the forms of currency that we now have redeemable under the Treasury's policy in gold, are based upon our present gold reserve, and it is difficult to understand why this issue would seriously injure or impair our financial system. These notes under the terms of the amendment would be redeemable on the 1st of January, 1916, in United States coin or its equivalent, and they can not become a charge or a burden upon the gold reserve before that date. The proposition is certainly in accord with the Democratic doctrine as expressed in the platform of the party time and again. In the Democratic platform of 1896 it is stated:

Congress alone has the power to coin and issue money, and President Jackson declared that this power could not be delegated to corporations or individuals. We therefore denounce the issuance of notes intended to circulate as money by national banks as in derogation of the Constitution, and we demand that all paper which is made a legal tender for public and private debts, or which is receivable for dues to the United States shall be issued by the Government of the United States and shall be redeemable in coin.

The objection that Panama bonds at this time could not find a market is not a valid one. I am unwilling to admit that the bonds issued by this Government will not prove attractive to investors. But even if this should be true, then this bill provides for the issuance of notes.

There is less ground for the objection that there is no precedent for the deposit of money by the Secretary of the Treasury in banks upon condition that it be used for specific purposes. Before the Money Trust committee Mr. Cortelyou, Secretary of the Treasury in the Roosevelt Cabinet, swore that in 1907, when a financial panic threatened the country and a most serious condition existed in the city of New York among the bankers

and brokers, realizing the necessity for the exercise of extraordinary remedies, he deposited in the banks of New York City within four days the sum of \$42,000,000. Referring to this deposit, I heard him testify as follows:

Mr. CORTELYOU. I do not recall just what amount was deposited. My stipulation was that the first \$10,000,000 deposited after I arrived here should go to the trust companies.

Mr. CORTELYOU. I could only deal with national banks.

Mr. UNTERMYER. I know. It all went into the national banks?

Mr. CORTELYOU. Oh, yes.

Mr. UNTERMYER. That \$36,000,000 added to the \$6,000,000 that had been previously deposited by the Treasury on the 22d of October made a total of \$42,000,000 that were deposited by you in certain national banks within four or five days?

Mr. CORTELYOU. I think so; yes, sir.

Mr. UNTERMYER. The money that was used to help out the Trust Co. of America, then, was part of the money that you had put here for that purpose—the purpose of helping out the trust companies?

Mr. CORTELYOU. I think so. (See p. 448, Money Trust investigation.)

On the day that these deposits were made call money was 120 per cent, and the Government exacted no interest from the banks in which the money was deposited. At that time there was upon the statute books the law, so frequently quoted by Mr. McAdoo, directing the Secretary of the Treasury in making deposits of public money to endeavor to distribute it as equally as possible between the sections. In making these deposits Mr. Cortelyou knew that he would subject himself to criticism on the ground that he was favoring the banks in which the deposits were made; he knew that it would be depositing in the banks of New York City more money than should be deposited there in proportion to that deposited elsewhere; but he also knew that it was the only way in which he could save the banks of that city in the crisis, and he made the deposits and stopped the panic. This was a deposit based upon the condition that it should be used for specific purposes. Again, on the 29th of September, 1914, the present Comptroller of the Currency, speaking in the city of Cincinnati, stated that within 60 days of the time at which he was speaking the Secretary of the Treasury had shipped \$40,000,000 to the Subtreasury in New York to be deposited in the depositories of the Government in that city. He stated:

Responding promptly to urgent appeals, the Secretary of the Treasury went over to New York Sunday afternoon, August 2, and held a conference that night with a score or more of the presidents of the leading banks and trust companies of the metropolis. He heard their statements, analyzed the situation quickly, saw what was necessary to enable the banks to meet the demands upon them and to restore confidence, which had been so rocked by the world-shaking events of the week.

Again, Mr. Williams said:

Anticipating the situation as it was laid before him at that conference, he (the Secretary) had that Sunday morning before leaving Washington directed the shipment by express to the Subtreasury at New York of \$40,000,000, and the Treasury forces and the express companies at that moment were taxing their resources in hurrying the execution of the order.

Since the amendment of August 4 to the Aldrich-Vreeland bill had not then been adopted, it can not be stated that the money referred to by the comptroller was an emergency issued under that act. Not long ago the Secretary of the Treasury deposited \$400,000 in the National Park Bank of New York upon the condition that that amount and a deposit of a million dollars which it already had should be retained by that bank if it should handle the notes of the State of Tennessee. When the Ohio flood came, something like a year ago, and a run was made upon the banks of Dayton, the Secretary of the Treasury announced that he would deposit \$2,000,000 of currency in the Dayton banks, and that he would accept commercial paper as the basis of this currency and not confine it to bonds—a stretch of the law—and upon that announcement he sent \$180,000 to the Dayton banks, and this rendered it unnecessary to send the \$2,000,000, since this action stopped the run on the banks and saved them from a crash.

I know that it is argued that the emergency currency issued under the Aldrich-Vreeland Act is sufficient to aid the South in the present crisis. I know it is also true that southern banks have not secured all the currency they are entitled to and could secure if they wished, but at the same time it must be realized that this emergency currency will not afford the relief necessary under the circumstances. When the Aldrich-Vreeland amendment was adopted I hoped that it would be all that was necessary, but at that time no man could anticipate the condition now existing in the South. It has proven entirely inadequate and ineffective. As a rule, the national banks of the South are located in the cities, and do not have a large clientele among the farmers. The banks patronized by the farmers in the rural districts are State banks, and the only way in which they can participate in the Aldrich-Vreeland emergency currency is through their national-bank correspondents.

The tax that is levied upon the Aldrich-Vreeland currency makes it necessary for the national banks of the city to charge



their customer banks in the country at least 6 per cent for the money they borrow. It is estimated that the cost of handling money by a bank under these circumstances is from 1½ to 2 per cent, and consequently the State bank must add at least this amount to the 6 per cent which it pays to its city correspondent. It is readily seen that by the time this money reaches the farmer its rate of interest is almost prohibitive for the purpose of holding cotton. In addition to this the banks understand that this currency now issued may find its way into the hands of a bank having obligations to meet in New York, and when it is shipped to New York for that purpose it will soon find its way to the Treasury, and the Treasury must then call upon the bank for which the currency was issued to redeem it in legal money. For this reason local banks hesitate to make loans for any length of time based upon the receipt of this currency. The notes provided for in this bill would circulate until January 1, 1916, and would enable the bankers of the South to relieve the condition now existing there. I realize that this is asking to depart from ordinary methods in our fiscal affairs, but the situation demands extraordinary methods, and our Government has never hesitated to apply such methods when necessary. The distinguished leader of the minority, though opposed to this amendment, has expressed the belief that the situation presented was one demanding assistance from the National Government, and the same view is expressed by Senator BORAH, of Idaho, and many others. When we appropriated \$500,000,000 for the war-risk insurance bureau it was a departure from ordinary measures, but one fully justified under the circumstances. When we appropriated \$1,000,000 to assist stranded citizens of this country who were abroad when war was declared in returning to their homes, even though the money advanced to them was to be refunded to the Treasury, it was a departure from the ordinary to the extraordinary, but fully justified by the circumstances.

The appropriation of \$30,000,000 dollars to build a railroad in Alaska to open up the great resources of that country was certainly a departure from ordinary methods. Likewise was it a departure to appropriate money to aid those who were left homeless and in want by the great fire at Salem, Mass., some months ago. I do not say that the people of the South are homeless or are in danger of starvation, neither do I ask for a gift to them from the United States Government, but in view of the fact that without any warning, or without any carelessness or bad management on their part, the market for the only crop grown in the South has been destroyed and the bankers and the merchants as well as the farmers of the South face bankruptcy, this Government should lend to them its credit until January, 1916. We ask for this loan of its credit, giving as security therefor warehouse receipts for cotton, a commodity recognized the world over as being as good as gold. This is not a wildcat scheme, nor is it a violation of any sound economic principle. It is a safe, sane way of giving relief to 30,000,000 people whose failure will affect thousands of people in the North, East, and West.

It is estimated that the foreign mills will require during the coming year about 4,000,000 bales of cotton. If this cotton be sold for one-half its normal price, our country will lose \$150,000,000 in gold. Sir George Paish, a representative of the English Government and special advisor to the English chancellor of the exchequer, now in this country for the purpose of endeavoring to arrange for the collection of our indebtedness to English interests, suggests that the American debits in England are some \$200,000,000 to \$250,000,000. As he has stated in the press, this is due to the fact that we have been exporting little cotton, which commodity has always served to maintain the balance of trade in our favor.

The assurance at this time that the cotton crop will be financed by the Government will result in immediate purchases by mills here and abroad, and with the increased value of our exports we will be enabled to discharge our indebtedness to England without making further drafts upon the gold of this Nation. This is the international aspect of the situation. By all men it is conceded that the continuance of the present conditions will affect the business interests of the entire Nation. The merchants of New England will be injured by the loss of business of a section constituting one-fourth of the Union. It is estimated that to-day the Southern States owe to the Eastern, Middle, and some of the Western States between three and four hundred million dollars growing out of the production of this cotton crop. Shall this debt be discharged? If by this bill the credit of the Nation is loaned to us for 13 months normal conditions will be restored and this debt paid in full, but if this assistance is not granted us I am unable to see how this obligation can be met. The small farmer of the South borrows money with which he makes his crop, and in order to make this crop he has given a mortgage

upon all he possesses. In many cases he has borrowed from the merchants, and he will now find that his cotton can not settle his debt and that he must give up his cattle, hogs, and his agricultural implements. If he can not pay his merchant, certainly that merchant can not pay for his goods purchased from the North. The question is whether we shall, under the plan set forth in this bill, which will not cost the Government a cent, save these people and enable the South to discharge its obligations to other sections of the country.

We are daily reminded that out of the present situation much good will come to the South; that just as the Postmaster General has arranged to use only cotton strings in the Postal Department, which will consume about 4,800 bales, and cotton bags are to be substituted for burlap, the domestic consumption of cotton goods will be materially increased. This is encouraging to the people of the South, but it affords little comfort to them at this time, when they see no way out of their present difficulties.

It is urged that it is not the function of the Government to render to us the assistance we ask. We have long since departed from the strict exercise of governmental functions. It can not be contended that it is a function of the Government to engage in the running of steamship lines, and yet that is practically what is now urged upon us by the administration in the pending bill. We have expended much money in farm demonstration work, teaching the farmers how to produce more cotton per acre, and we have expended much money, very properly, to prevent the destruction of the crops by the boll weevil and other insects, and yet it is contended that it is no function of the Government to aid them in marketing the crop at this time, and that such assistance would set a dangerous precedent for the future.

There can be no doubt that little cotton will be produced next year. It is possible that the States, by legislative enactment, will require reduction of acreage; but even if this is not done, surely it must be realized that the farmer who is holding cotton will not be foolish enough to plant more when he is unable to sell that which he has on hand. Again, even if he wished to, he will be unable to secure the money with which to make a crop. Before another crop is produced the price of this crop will have materially increased, and I want the man who, with his family, has toiled to produce this crop to get the benefit of that price. He has had nothing to do with bringing about this condition of affairs, he could not have anticipated it, and this Government should not permit him to be forced to turn his cotton over to speculators who seek to purchase it at 4 or 5 cents per pound so they, with their superior sources of credit, can hold it for the higher price that is bound to come. If this is not a governmental function, then our Government fails to answer the purpose which every American citizen believes it was intended to serve.

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the gentleman's request?

There was no objection.

Mr. HENRY. Mr. Speaker, I yield to the gentleman from Georgia [Mr. CRISP].

The SPEAKER pro tempore (Mr. RAINEY). The gentleman from Georgia [Mr. CRISP] is recognized.

Mr. CRISP. Mr. Speaker, in the brief time allotted me it will be impossible to make an argument in support of the bill, as I would like to do, or to discuss the situation confronting the South. I tried yesterday and to-day to get sufficient time to discuss in detail the cotton situation, but was unable to do so. The great crisis that confronts our people was caused by the European war, and is not a sectional one, but is national in scope—yea, international, for the people of the entire world are interested in the production of cotton; for while other sections feed the world, we largely clothe it. If we can not get a fair price for our product, we can not purchase from other sections; therefore the business of the entire country is involved. Two-thirds of the cotton raised in the United States is exported to Europe, and it alone keeps the balance of trade in favor of the United States. It more than any American product protects the gold preserved in your Treasury, and to-day New York bankers are concerned as to how they shall protect obligations due in England and prevent a drain being made on our gold reserve. Under normal conditions when cotton is being exported it settles all balances in trade and furnishes a medium of international exchange. Sir George Paish, a representative of the English Government, is to-day in Washington conferring with our Treasury officials and members of the Reserve Board to provide some measure of settling balances between this country and England. He frankly stated that if cotton

was moving it would take care of the difference and make the trade balance in our favor; so you can readily see how important it is for the whole Nation to try to help the South out of its financial distress and provide a market for cotton.

Sir George Paish frankly stated that England was financially able to buy cotton and its factories were ready to run on full time, but they were not in the market, as they were waiting to see if cotton would go lower. Mr. Speaker, it is human nature to desire to purchase the product of another at the lowest price possible. It is to the interest of the English people to buy raw cotton as cheap as possible, but in my judgment it is the duty of a great Government like ours to protect its citizens. We ask you to furnish us financial aid to enable us to hold our cotton off the market until conditions become normal, so the producers can get the value of it.

We export about 10,000,000 bales of cotton to Europe. For the last 10 years the average price of cotton has been about 12 cents a pound, or \$60 per bale. Under normal conditions our 10,000,000 bales of cotton exported would be worth \$600,000,000, but if our people are forced to sell it at the prevailing price of 6 cents it will only bring \$300,000,000, so it is plain that the three hundred millions of the wealth of the world that rightly belongs to southern people will be donated to the countries of Europe. Does not selfish instinct alone, if nothing else, dictate that this Government should take steps to protect its people and preserve for its citizens this three hundred millions instead of giving it to foreigners?

Mr. Speaker, our Government in times past has aided other sections of the country, and we demand the same consideration. The Government has placed millions of dollars of the people's money in the banks of New York to protect stock speculators. It has appropriated money for the sufferers from the Salem (Mass.) fire; it has appropriated money to relieve the distress in San Francisco caused by the earthquake; it has deposited money in the banks of Dayton, Ohio, to aid the flood sufferers; it has spent millions to irrigate the lands of the western farmers; and it has spent several millions this year to be sent abroad and loaned direct to globe-trotting Americans. We appropriated thirty millions to build railroads in Alaska, and this administration favors selling Panama bonds to buy ships. Hence, Mr. Speaker, simple justice demands that my section be aided in this time of its distress. Mr. Speaker, some Members say they can not support our bill because it will establish a precedent. That, Mr. Speaker, is simply a subterfuge, for the instances above cited furnish abundant precedents for the legislation we are asking.

We are not asking a gratuity; we simply ask the Government to loan us its credit by placing Government funds in our banks to be loaned on cotton so as to enable us to hold our crops until the market for it is restored and the fearful European war is over and world conditions become normal. This is no new precedent; the Government has done this before, and not long ago the Government made a deposit of \$1,400,000 in the Park National Bank, of New York, on condition it would loan it to the State of Tennessee.

Mr. Speaker, we are following precedents, and the bill which we have before the House simply asks that Government funds be placed in the banks of the South, both State and National, on condition that they loan the funds to the producer of cotton. I believe our bill is sound, but if we are not specially wedded to it; we ask relief; this House has among its Members statesmen of ability; if the desire to aid is in the hearts of a majority of the Representatives, we can perfect the bill, if it needs amending. This is not a political question. The able leader of the minority, Mr. MANN, recognizes it is the duty of the Government in this crisis to aid the South, and I specially ask his colleagues and associates to come to our rescue. I have an abiding faith in the American people and their representatives. Gentlemen, I say to you that my beloved section has an impending storm hovering over it too great for the Southern States to weather. Therefore I appeal to you, the representatives of our great, rich, and powerful Nation to come to our rescue. You can save us if you will. Some gentlemen say it will be paternalistic for the Government to aid in this crisis. Mr. Speaker, I believe when a situation confronts 20,000,000 of our patriotic and industrious people, and they are unable to handle it, it is the duty of "a Government of the people, for the people, and by the people" to come to their relief. I appeal to you, my colleagues, to not let us appeal to you in vain.

The SPEAKER pro tempore. The time of the gentleman from Georgia has expired.

Mr. CRISP. Mr. Speaker, I ask unanimous consent to extend my remarks on this bill.

Mr. POUL. Mr. Speaker, I make the same request as to my remarks on yesterday.

The SPEAKER pro tempore. Is there objection to these requests?

There was no objection.

Mr. MANN. Mr. Speaker, I ask unanimous consent that all gentlemen of the House have leave to print for five calendar days.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. MANN] asks unanimous consent that all Members of the House have leave to print for five calendar days.

Mr. HENRY. On this bill?

Mr. MANN. No; on anything.

The SPEAKER pro tempore. Is there objection?

Mr. KEATING. I object.

Mr. HENRY. I hope the gentleman will not do that.

Mr. KEATING. I do not object to the extension of remarks on this bill, but I will object to any general extension of remarks.

Mr. HENRY. I hope the gentleman from Illinois will modify his request.

Mr. MANN. No; I will not, because ever since I have been a Member of the House this sort of leave has been granted. I do not care whether it is granted now or not; but the gentlemen specially interested in this bill are all from one section of the country, and if their colleagues refuse to let the rest of us have a chance to extend, why, it is unfair that they should ask for that privilege.

Mr. HENRY. I hope the gentleman from Colorado will withdraw his objection.

Mr. KEATING. I can not withdraw it. I have no objection to the extension of remarks on this bill, or to the granting of leave to extend specifically, but I am opposed to a blanket extension.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

Mr. KEATING. Mr. Speaker, I object.

Mr. HENRY. I yield to the gentleman from Alabama [Mr. BURNETT].

Mr. BURNETT. Mr. Speaker, I rise merely for the purpose of saying that many of our friends who know nothing of conditions in the South believe that we are excited and that the condition existing there is not as bad as we who live there know it is. The San Francisco fire never brought such destruction to the people of that stricken city as the war in Europe has brought upon my constituency and the constituencies of other Members from the South.

Mr. Speaker, when the city of Salem was swept by fire and its historic homes destroyed, the first name that was called on the roll call to aid those people was that of ABERCROMBIE, from Alabama, the first State on the roll of States, and he voted yea. Further down the roll, when my name was called, I cast my vote to aid those stricken people. When the rivers of Ohio submerged the lands in that State and the farmers of that magnificent Commonwealth asked for aid, we came to their relief. When San Francisco was laid low by the fire fiend, Congressmen from the South rallied to her rescue. The warm heart of the South has always responded when the distress sign has been given in any part of the Union, and I appeal to you, my countrymen, from the West and the North and the Middle West. I appeal to you as my countrymen to aid us in this our time of dire distress. Your people are our people, your country is our country, your flag is our flag, and your God is our God. We appeal to you in this our day of dire extremity. [Applause.]

Mr. HENRY. I yield to the gentleman from South Carolina [Mr. FINLEY].

Mr. FINLEY. Mr. Speaker, the question before the House involves finance in a world-wide sense. The only power in this country great enough to avert the disaster which threatens the prosperity of 10 great States of the Union is the Federal Government. The cotton crop, which under normal conditions would have a value of over a billion dollars in gold, has suddenly dropped in price to a bankruptcy level. Yet when the great majority of Senators and Representatives of the cotton-growing States come to the National Government—the only agency competent to deal with such a crisis—we are met with hostility in some places, with apathy in others. We ask not that the Government suffer any loss in our behalf, or even run any risks. The Federal Government is asked not for charity, but for cooperation in loaning its credit to tide the South over the greatest crisis it has faced in 40 years. Instead of cooperation we are met with criticism. We ask for aid and are given arguments. Senators and Members from other sections—not all,



I am glad to say—accuse us of paternalism. They say that if the Government goes to the aid of cotton it must valorize all other industries adversely affected by the war. Such a statement assuredly reflects a narrow outlook, not only on the great emergency confronting us, but on our duties as Members of the United States Congress. We are here to represent our individual districts, it is true; but we are here primarily to legislate for the good of the United States of America. When a calamity threatens the whole country, it must be averted without regard to what particular section will most benefit by our action. It is an axiomatic truth, unnecessary for me to restate, that the country can not be prosperous unless the South is. When you legislate to save the money crop of the South you legislate in the interest of the North and East as well.

Cotton is a world commodity. Anything that affects it affects not only the whole of this country, but countries in Europe and Asia and Africa. It is for this reason that what is happening 4,000 miles away affects cotton so profoundly. Cotton has its ramifications in every civilized quarter of the globe. The industry can no more be characterized as local than can the effects resulting from its prosperity or adversity be localized. If the South has to sell cotton at less than the cost of production, then she will have no money available to buy the manufactures of New England, New York, Pennsylvania, and the Middle West. In the end the rest of the country must share the hard times the South faces in the more immediate future. Newspapers all over the country—I would mention the Washington Post in particular—are calling upon Congress in patriotic editorials to come to the relief of the South, and thereby to the relief of the country.

It is cotton that insures the balance of trade in our favor. An eminent British financial expert recently estimated that the current indebtedness of the United States to Europe was between \$200,000,000 and \$250,000,000. He further states that—your cotton exports at this season would in normal times be the chief factor of payment of the large balance against you.

Cotton being practically unsalable, this indebtedness must be paid by an export of gold at a time when we can ill afford it. Ordinarily out of the present cotton crop it might be expected that exports would bring to this country over \$600,000,000. The exports of cotton usually amount to 60 per cent of the crop; in other words, but for circumstances no man could foresee, 9,000,000 of the 16,000,000 bales raised this year would have found a ready market abroad. The world must have cotton, and the quantity in the grade it desires can be grown only in the Southern States of this country. It would be a greater calamity to the world at large than to the South were the cotton growers forced to stop the production of cotton.

Cotton can not be produced at less than 9½ cents a pound. Much of it is grown by small farmers and negroes, who have mortgaged their future to grow the present crop. They have done so this year in the same manner as they are obliged to do each year. If they receive less than what they have expended, plus a profit that will enable them to live until next spring, they must of necessity forego planting another crop. They can not plant without credit, and that the banks will refuse to give. The smaller banks themselves are affected, the country storekeeper is involved, even the cotton manufacturers will not profit in the long run from 4 or 5 cent cotton. At present the manufacturers are afraid to buy, because they do not know at what cheaper price their competitors may shortly be able to get cotton. The fact that the manufacturer can get his raw material at one-third the usual price will only decrease his ultimate profits. By so much as the price of raw cotton has decreased, by so much has the buying capacity of the cotton growers of the 1914 crop shrunk for buying the manufactured products. Ordinarily the manufacturing industry of this country would absorb nearly 6,000,000 bales, or about 40 per cent of this year's crop. It has been estimated that American mills will increase their purchases of cotton, due to the increased demand which will be made for their finished products. Japan is also expected to lay in a supply of cotton sufficient for two years. It has been estimated that about 4,000,000 bales of the present crop will be exported, instead of 9,000,000 which would have found a market outside of this country. This leaves a surplus of over 5,000,000 bales, which, if left upon the market, will depress the price to a level that spells financial ruin.

The individual States are incapable of handling so vast a problem, and for this reason whatever action is taken must be uniform throughout all the cotton States to be effective. Action taken by one State, however drastic, would be nullified, unless the other States follow a similar plan. The problem is one that the National Government must solve. It has the power, and the States of the South have the right to ask for the exercise of that power. As regards the constitutional

powers of Congress, I am not solicitous. After money has been collected and reached the United States Treasury it may be disposed of by Congress in any manner deemed of public benefit to the country. There is no precedent for this emergency, because the Government was never before confronted with a calamity of this particular nature. It has met other problems and solved them, and it will solve still other problems in the future as they are presented, and it has the ability to do so. What the cotton growers of the South are asking will not put so great a strain upon the constitutional powers of the Federal Government as has been done in times past. It is estimated that in the past Congress has made benefactions, pure and simple, amounting to over \$150,000,000.

When a terrible earthquake visited San Francisco, Congress was prompt to appropriate \$5,000,000 to relieve the inhabitants of that distressed city. When Salem, Mass., was almost wiped out by fire Congress quickly responded with an emergency appropriation to meet that need. The reason was that the spectacle of so much distress concentrated in one place aroused the sympathy not only of Congress but of the country. The country approved our action in relieving suffering in San Francisco and Salem, and I personally was glad to see it done. Yet when a hailstorm, the most destructive that ever visited South Carolina, completely wiped out all growing crops in an area 30 miles long by 4 to 6 miles wide in my district on July 6 last I was unable to get one cent from Congress to alleviate the suffering and want, which is being felt at this very moment by small farmers who lost their entire year's crop. Why was I unable to get an appropriation when a similar one had just been made for Salem? It was because the suffering was not of sufficient magnitude to impress itself upon Congress and the country generally. Both Congress and the American people are quick to relieve distress when they are convinced that it exists. Probably no other nation in the world is equal in generosity to the United States. For that reason I feel certain that if Congress could be convinced of the actual want which, if it does not exist now in the cotton belt, will in a few weeks make itself felt, Congress would go to the South's relief. It is possible by passing emergency legislation now to forestall the suffering which must otherwise come.

What the South asks is not charity. She asks merely to be treated as a constituent part of this country, having a right to all the protection the credit and unlimited resources of this Government can give her. She asks no more than has already been done for New York City. Since 1890, during financial stress and panics, hundreds of millions of Government money have been accorded to the banks of that city, \$50,000,000 having been recently transferred from the Treasury to a syndicate of New York bankers in order to help the city of New York meet its maturing obligations abroad. In speaking of this transaction the Comptroller of the Currency, Mr. John Skelton Williams, was quoted as saying:

A few weeks later—

After the outbreak of the war—

leading bankers from New York came to Washington to ask if the Government would lend its support in enabling New York City to raise, through a syndicate of bankers, the funds necessary to provide for the city's loans of \$82,000,000 just maturing abroad. They were assured by the Secretary of the Treasury that the Government would cooperate by providing the banks with a further amount of currency, and would accept a fair proportion of New York City's new notes or bonds as the basis for such currency, in order to help the bankers carry out the plan for the funding of the city's floating indebtedness; and since that time the Treasury Department has actually furnished to the New York banks \$50,000,000 of additional currency, making the total amount accorded to the banks of that city from the Treasury since August 1 more than \$140,000,000.

The Government was willing to lend money to New York City upon its new notes or bonds in order not to avert a panic but merely to pay its ordinary debts. Yet when States having nearly one-third the country's population ask for a like accommodation upon security of cotton, which is the security for debts generally accepted by banks everywhere, the proposition is characterized as "wild." The Government refuses legislation that will permit or enable banks to lend money on good security, which would put the people of the South on an independent basis; whereas were the cotton crop entirely destroyed by some great calamity Congress would not hesitate to give away millions to alleviate the resulting distress.

The plan proposed, to lend \$250,000,000 to retire temporarily 5,000,000 bales from the market, will cost the Government nothing. Furthermore, it will put the money directly in the hands of the small cotton grower, who is in such dire need of immediate funds. Unless the money is segregated and devoted to the relief of cotton alone, no good can be accomplished. I would direct attention to the way in which a similar cotton crisis in Egypt is being met. The United States consul at Cairo reported to the State Department that Egyptian banks which



ordinarily import \$50,000,000 to \$75,000,000 in gold, being unable to obtain money to move the cotton crop, have made notes of the National Bank of Egypt legal tender of an equal value with gold. The national bank will also advance money to cotton growers on all cotton offered, and the cotton is to be stored as security. Plans are also on foot for reducing the area sown in cotton next year by about 60 per cent.

In answer to what has been claimed for the Aldrich-Vreeland Currency Act, it is true that currency may be issued by national banks under the terms of this law. But why is it not issued? Under the law if the currency when issued finds its way into the Treasury of the United States the bank issuing this currency is at once called on to redeem it in legal money. It is an easy matter for the enemies of currency so issued to secure large amounts of it and send it to the Treasury of the United States, well knowing that the bank issuing the notes will be called upon to redeem them.

The proposal of a \$150,000,000 pool of capitalists to buy up 3,000,000 bales of cotton at current prices will not aid the small farmers. Current prices—now around 6 cents—are far below the cost of production, consequently the buying of cotton on such terms presents possibilities of benefit only to the capitalists composing the pool. The small farmer, being unable to borrow money, must sell no matter how low the current price may be, hence a pool such as the one above mentioned will prey upon his very necessities. Capital, particularly at a time of such financial stringency, is going into no pool through motives of altruism or for the welfare of the farmer. It is not to be expected that it should. "Financier" and "philanthropist" are not synonymous terms, at least not when it comes to participating in a business transaction. No pool of this character is going to help the South, and it is worse than cruelty to mislead the people with false hopes.

Let no man delude himself. The great financial institutions of this country are loaded with stocks and bonds on which they have made loans, in many instances at a higher rate of value than is the present market price of the stocks and bonds held as security for the payment of these loans. At the time the loans were made the market value of the security was ample. The European war came on; market values of stocks and bonds fell in price until now, in many instances, the great financial institutions of the country hold securities worth less than the debts for which they are pledged to secure payment. The stock and bond exchanges throughout this country, Great Britain, France, Germany, Austria, and Russia closed down immediately on the declaration of war by Germany against Russia. If the price of cotton in the South remains at anything like the present level or falls a great deal lower, as it will do unless the powers of the Government are exercised, it can be stated with reasonable certainty that a financial crash will come in the South which will be felt throughout the country. While the South will be the first to suffer, it will not be the last and greatest sufferer, measured in dollars and cents. I firmly believe, Mr. Speaker, that legislation of the character embodied in the pending amendment—which amendment, by the way, contains practically nothing not contained in the bill H. R. 19004, introduced by me at the instance of the South Carolina delegation in Congress—is absolutely necessary.

The only material help to be had is from Congress. Unless the House agrees to take some action that will give real relief and bring the price of cotton to at least a cost-producing level, the South must face a recurrence of the hard times which I had hoped were forever banished from the land. Furthermore, it had best be realized now that if this specter stalks abroad in the South its devastations will spread until the effects are felt in every part of this great country. Not as a partisan but as an American I ask that Congress avert the national calamity which the breaking down of the cotton market threatens.

Mr. HENRY. I yield to the gentleman from Georgia [Mr. HOWARD].

Mr. HOWARD. Mr. Speaker, I had hoped that a discussion of any bill for the relief of the cotton producers of the South would have been precipitated before the rush of the closing hours of this session, in order that we who represent this great section of our country might have had an opportunity to present the case of the cotton producers as it really exists.

The whole trouble in the South is attributable to one cause—lack of agricultural banking and warehouse facilities throughout the country. We are the only civilized nation on the earth that has attempted to mix commercial and agricultural banking. In our attempt to do this almost impossible thing one of the two pursuits must suffer at the hands of the other, and it occurs to me, as it does to all who are engaged in agricultural pursuits, that the farmer has been made the burden bearer of the commercial end of banking.

Commercial banks must necessarily keep their assets liquid by making short-time loans, so that at any moment they can meet the demand of their depositors and safeguard themselves against any business exigency that may arise. On the other hand, the farmer in the South can not utilize short-time loans to any advantage.

The paramount question to be solved by this country is the speedy establishment of rural credit banks providing for short and long time loans to our farmers. Mr. Speaker, for the last four years I have given much thought and study to the question of rural credits, and the product of this investigation culminated in the introduction of H. R. 12746, which I introduced on January 31, 1914. Day in and day out I have discussed the importance of rural credits with Members representing agricultural districts.

When the regional bank act was in the Democratic caucus I was then, as were other Members representing agricultural districts, insistent upon a companion bill being reported establishing along by the side of the regional-reserve system a rural credits system. At that time it was thought inadvisable to attempt so large a task. The situation in the South to-day demonstrates the wisdom and foresight of those of us who sought to relieve the agricultural interests of the country at that time.

Now, Mr. Speaker, some Members from our beloved section, in their enthusiasm to bring about relief, have attempted to touch the sympathetic side of the membership of this House on account of our deplorable condition. In June of this year the farmers of the South and their little children were busily engaged in the broiling sun in the cotton fields, happy in their expectation that ere the chilling frosts would fall the usual flow of the "golden harvest" would fill the horn of plenty in our land; but without a day's warning, without an hour for preparation, the great civilized nations of Europe were thrown into a cataclysm unprecedented in the history of the world. To-day their soil is saturated with the blood of the best manhood of Europe, and those nations which have remained neutral stand dumfounded as they view the horrors of modern warfare.

The result of the European war has visited its greatest infliction upon the South, in that we have produced a normal crop of cotton to meet the demands of normal conditions, and to-day we have between 5,000,000 and 7,000,000 bales of cotton that can not be utilized, and that is in active competition with the actual amount of cotton that can be consumed by neutral European countries and by our own country.

In consequence of this fact, no spot market for cotton has been established, and before a spot market can be established fixing a price equal to the cost of production this surplus of cotton must be set aside for a definite period of not less than 12 months. The moment that this surplus is financed and set aside, the spinners of all nations who are in need of cotton will immediately seek their supply from that which is upon the market.

Now, Mr. Speaker, let us see what we have asked at the hands of the Government. Precedents are too numerous to burden the House in detail with the occasions upon which this Government has come to the rescue of those who were visited with flood, with famine and disaster; and, by way of parentheses, I may add that whenever any great section of this country was visited with misfortune, no section's Representatives responded more cordially in their aid than those from the glorious Southland.

This bill as amended, and upon which we will shortly be called to record our vote, is identical in principle with the bill I had the honor of introducing, known as House bill 19199, and which many Members from the South contended for in the caucus of southern Members as the bill which would give immediate relief to the southern cotton farmer and at the same time the Government would be safeguarded with all the requirements of security.

The reason the farmer of the South can not finance his surplus cotton has already been stated. The banks of the South, and especially the country banks, are heavily involved in loans already advanced to the farmers of the South to make this year's crop, and to further advance money to the cotton farmer with no hope of replenishing upon their assets that which they may advance would jeopardize their institutions, unless there was a market for cotton. The beneficent effect of this bill is this: It provides a fund of \$250,000,000, which the State and national banks can apply for, which is a separate and distinct fund, to be loaned only to the producers of cotton under the same regulations and upon the same sort of security that is now provided under the Federal reserve act and under the Vreeland-Aldrich emergency currency act, except this fixes a rate of interest at a nominal cost to the farmer. In other words, to use



a commonplace expression, the Government simply creates a "brazen" fund to take the place of the timid money now being held by the great banking institutions of the country.

Under the provisions of this bill there is absolutely no danger of inflation. There is absolutely no danger of any loss to the Government, and it gives to each and every farmer of the South an opportunity to warehouse his cotton, insure it in a reputable insurance company, put his warehouse receipt, accompanied by his policy of insurance upon the cotton, and secure a portion of the cost of production of that bale of cotton to tide him over to a day when the world may be at peace and prosperity again prevail throughout the land.

Mr. Speaker, I regret to see our friends on the other side of the aisle who represent the great manufacturing districts of the North opposing this bill of relief. And let me say in conclusion one word of warning to those who have been so unkind as to say that this was rank paternalism; that this was radical class legislation; that it was for the relief of the cotton-growing and tobacco-growing States only. Any such statements as these must emanate from the mind of him who has only superficially diagnosed the commercial situation throughout this country. Ah, Mr. Speaker, if this bill fails of passage, within 90 days from the day these words are heard upon this floor every fiber of the commercial fabric of this land will feel the distress and share it equally with the farmers of the South, their wives, and innocent little children. When the great farm-incident concerns in the South begin to cancel their orders in the East and Middle West, when the flow of gold that annually goes to the great East in payment of debts which amount to over \$600,000,000 for money advanced to southern banks to make this crop are unpaid, then will you discover that the production of cotton is the real backbone of commercial life in the United States, and that cotton affects every man, woman, and child, from one end of this Republic to the other.

Mr. Speaker, I had hoped, after hearing the eloquent speech of the gentleman from Pennsylvania [Mr. Moore] the other day, that the American spinners would rise to that height of American patriotism and go into the market for their usual supply of raw cotton. I had dreamed that the spindles of every cotton mill in this country would be whirling 24 hours a day in an effort to reach out to supply the foreign trade with our manufactured product afforded by the suspension of manufacturing operations abroad.

I had hoped that American mills would not seek to take advantage of a tariff wall higher than any ever built by Congress on account of the European catastrophe, but I fear from the attitude of these mills for the last 60 days that these hopes are but idle dreams. Surely they do not hope for a further depression in the price of cotton in the hands of the producer and that they will acquire their raw material at still lower prices than are being paid for the small amount of cotton that is now being purchased. And, Mr. Speaker, before I utter the sentence of admonition to those who are engaged in the production of cotton in my beloved State I hope that those who hear this statement will not believe that I utter it in a spirit of vindictiveness, but I consider it wholesome and necessary advice to give to those of my constituents who now stare squarely in the face financial ruin.

Farmers of the South: If the great Government which you have so valiantly supported and in whose behalf you have toiled to maintain the balance of trade between this country and foreign nations refuses to come to your relief in this, the darkest hour of your life since the Civil War, hold your cotton, establish by your own act a gradual market for your product, and if there shall be suffering, if there shall be destitution in this land, prepare yourselves to distribute this destitution equally among those who have profited by your prosperity and say unto yourselves, "The Southland shall not bear this burden alone and in silence." If the representatives of this great Nation can not solve this question for you, you hold the reins in your hands, and as your friend I advise you to guide your destiny in such manner as to avert financial ruin.

Mr. HENRY. I yield to the gentleman from Alabama [Mr. DENT].

Mr. DENT. Mr. Speaker, something has been said here as to why it was that the southern bankers could not obtain a sufficient amount of currency under the Vreeland-Aldrich Act as amended at this session of Congress.

I want to call the attention of the House to the fact that in many places in the South, where a large part of the market for cotton is daily had, we have only State banks. These State banks can not obtain any currency under the Vreeland-Aldrich Act. There are State banks in my section which have signified their intention to join the regional system, but they can not get emergency currency under existing law.

I had hoped that during the period of this great distress Congress would have suspended for a reasonable period the 10 per

cent tax on State-bank circulation, with such safeguards as would have given our people at least some local relief. I am not unmindful of the fact, however, that the Government has given valuable aid, and I regret the criticism that has come from some quarters, especially of those of us who represent cotton constituencies.

In the midst of the distress of the South at this time it is useless to state that representatives in Congress generally, and those from the South in particular, are more than anxious to do everything in their power for the relief of this stricken section. Even if our hearts had grown callous, our selfishness would prompt us to exert every effort in its behalf. I have no patience with the criticism, therefore, that any one of us is unwilling to go to the limit in bringing forth some substantial remedy. I further assert that we are all willing to sink our pride of opinion in behalf of the general good. It is folly to say that a Member of Congress who represents a cotton constituency will turn a deaf ear to the plea of the very people upon whose votes he expects to remain here. Our future—social, political, and in every other respect—is absolutely interwoven with the good will, not to mention the happiness and prosperity, of these people. Hence, it is passing strange to me that anyone should make bold to find fault with any of us or even to suggest that we are indifferent to the situation. Naturally, we differ as to the best remedy. It is not to be forgotten, however, that since the crisis came measures of relief have been adopted by Congress and the executive branch of the Government. As soon as possible after this situation arose Congress amended the Vreeland-Aldrich Act so as to authorize a large increase of the circulating medium. In the administration of this act the Secretary of the Treasury announced that he would accept from national currency associations notes based upon cotton warehouse receipts, naval stores, and tobacco up to 75 per cent of the face value of the notes. Under this amended law the banks were authorized to obtain currency to the extent of 125 per cent of their capital and surplus.

In order to facilitate the movement of crops to foreign countries an act was passed admitting foreign-built ships engaged in the foreign trade to American registry; and this was followed by an act creating a war-risk insurance bureau. By means of the latter the Government undertook to indemnify cargoes of ocean freight from the risk of seizure by any of the powers engaged in war. It is apparent therefore that Congress and the Executive have, at least, taken important and far-reaching steps to relieve the situation so that the crops of the country may be handled, held, or exported, as the case may be.

It must be admitted that the outbreak of the war in Europe suddenly cut off more than half of the market in which cotton had been sold, and it can not be denied that no act of Congress can entirely reestablish this foreign market. It is universal history that any foreign war depresses the price of cotton and increases the value of foodstuffs. A people engaged in war must have food each day, but they postpone the purchase of clothing as long as possible. This condition can not, however, last always. The time will come when raiment must be had. How long that time will be no one can now foretell. What, then, is the present urgent need? The only answer is to hold as much of the cotton as is possible until normal conditions return. In order to do this the people must have cheap money, and by that I do not mean a debased currency, but a sufficient circulating medium to enable the holders of cotton or similar commodities to prevent the sacrifice of such products. Many are the suggestions by which this is proposed to be done. Let us see, however, what has already been done and what is proposed. In the State of Alabama alone the Government has regular deposits of \$355,000, while crop funds to the extent of \$917,500 have been placed with the banks, making a total of \$1,272,500 of public funds in that State. Additional currency has been issued to the banks in that State to the extent of \$4,196,690. Alabama, therefore, has already received in circulating medium through the operation of the Government \$5,469,190, practically five and a half million dollars.

Of the \$74,000,000 of Government funds on deposit in the banks of the country the South has \$27,402,500, or more than one-third. Since the 1st of August there have been issued to the national banks in Southern States \$68,000,000, and these banks may now, under the law, receive \$151,000,000, in round numbers, of additional currency. The banks of the Southern States have received since this trouble began \$68,000,000 in additional national bank notes, \$11,337,000 in crop funds, and \$16,065,000 in regular deposits, making a total of over \$95,000,000. They can still obtain under the present law \$150,000,000 more.

There is no possible chance to pass a law requiring the purchase and holding of cotton by the Government. Omitting any reference to the constitutionality or practicability of the



proposition, the membership of Congress representing other interests could never be induced to vote for such a proposition. It is true that the Government has here and there expended money to relieve distressed conditions. These instances are rare and were, if not wrong, certainly of minor importance compared to the magnitude of handling the great staple product of the South.

The proposition now submitted as a compromise measure upon the cotton situation, to authorize the Secretary of the Treasury to issue \$250,000,000 of notes redeemable in gold, or to sell Panama bonds and use this money to tide over the stringency now existing in the South, seems to be a sound economic proposition. Certainly no objection can be made to it on the ground of inflation, since the Secretary of the Treasury has the discretion not to issue these notes if, in his opinion, the currency will be so inflated as to impair the equal value of our circulating medium, and to use the proceeds of the Panama bonds instead.

Afflictions sometimes come as blessings in disguise. Let us hope that our people will be enabled to hold a large part of the present cotton crop until normal market conditions return, that the acreage in cotton will be reduced to a large extent by the voluntary action of the people themselves, and that there will be a still greater increase in crop diversification throughout our southern section.

In this connection I wish to call attention to the patriotic action of a large wholesale house in my home city of Montgomery, Ala. The Hobbie Grocery Co. proposes that, if the farmers in a radius of 50 miles of that city will plant 5,000 acres in wheat, they will pay 7 cents more than the St. Louis price for the same and erect a flour mill with a capacity of 100,000 barrels a year. The soil and climate of the South is adapted to such a variety of products that no one need despair, even in the midst of these distressing times, and I venture the prediction that within a year the prosperity of the South will return and be greater than ever dreamed of before.

Mr. HENRY. Mr. Speaker, I yield to the gentleman from Georgia [Mr. HUGHES].

Mr. HUGHES of Georgia. Mr. Speaker, the condition of the South is growing more serious every day, and if something is not done to stem the tide, ere long it will not pay even to pick the cotton. A great many tenants are to-day leaving their fields white with cotton and engaging in labor whereby they may earn a sufficiency for the sustenance of life.

Mr. Speaker, all must concede that the lack of market for cotton is only a temporary thing. So soon as this war will end every bale of cotton will be in demand, and it will bring a normal price. Cotton is a great international crop. It keeps in reserve the very gold of this country.

By unanimous consent, Mr. HUGHES of Georgia was granted leave to extend his remarks in the RECORD.

Mr. HENRY. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. QUIN].

Mr. QUIN. Mr. Speaker, I come from a cotton State. The district I have the honor to represent is a cotton district. I want to tell you that the people of that country are energetic people, who work all day and part of the night, and they are industrious, but because of this low price of cotton, occasioned, as we all know, by the great war in Europe, they are now in distress. While a good house is on fire, let us not stand around here and say that we have the water but we do not know whether we ought to use it or not. You have the ability under the Treasury system of the country now to place this money according to this amendment in the banks of the South, and how can any man who wants to come to the relief of the distressed people talk about expediency when we know we are all able to do it?

I will not take any part of the short time allotted to me to reiterate what other gentlemen from the Southern States have told you. Every Member of this Congress knows all about the calamity in the South occasioned by the loss of cotton markets on account of the world-wide war in Europe.

There is no market for cotton at present and will not be until the cotton is out of the hands of the farmers, unless we pass this amendment or the original Senate bill.

I am going to stand up here for my people this evening, like I have stood for them on all occasions when their interests were at stake. Mr. Speaker, these gentlemen tell us they are sorry for the people who have raised the cotton, but they can not vote for any of these measures to give relief to these men who are now unable to realize more than one-half the value of their cotton.

The trouble is, they do not know how to sympathize for a poor farmer. These same Congressmen who now say on this floor that it is unconstitutional to pass a bill for the Govern-

ment to purchase one-third of the entire cotton crop at 10 cents a pound and hold it off the market, or that it would destroy the value of the Government's dollar if we issue \$250,000,000 in currency under the greenback act and loan to the producers of cotton at a conservative estimate of the cost of production, with the cotton itself as security, have voted for all kinds of gifts, loans, and schemes on other occasions. I can not have any respect for their reasons for opposing the sound and legitimate legislation proposed here now to give relief to nearly 30,000,000 people throughout the Southland. These same Congressmen voted to lend millions of dollars of Government money, if you please, direct to the irrigation of farms in the arid West. I do not complain of them; I would vote that way myself; I think the Government ought to help the wealth producers in every section of this Republic.

Mr. Speaker, what I am complaining about is that these self-same statesmen say that we are asking too much of the Government, that there is no precedent for such legislation as the South calls for now.

No man who is familiar with the bills passed even by this present Congress and approved by the President could seriously contend that we are without precedent. You gentlemen who are opposing this bill never balked at the big pension bills that were going through this Congress, but you were extremely active in trying to increase them all the time. These cotton farmers help to pay all of these pensions, and still you can not vote for a bill to let two and one-half hundred million dollars be placed in the southern banks to loan them on their cotton.

When the bill, with Executive sanction, was before this House to place \$2,000,000 of gold money in Europe to lend without any security to American citizens in Europe in order that they could return to the United States, shortly after hostilities opened between Germany and France, were any of these Congressmen opposing it on the ground of no precedent? Who of you could vote for that emergency bill to relieve distressed "globe-trotters" in Europe that can not now vote for this sound legislation to protect the only crop that keeps up our balance of trade with Europe and at the same time save the cotton farmers from impending bankruptcy? The South is really the only part of this Union that can produce cotton, and this industry ought to be conserved by the Government.

All of the cotton farmers are citizens of this great Government, and their business is entitled to the same consideration that any other business receives. Does not this Government go to the rescue of the great banks and deposit money in them in the time of stress and storm? President Roosevelt had the Secretary of the Treasury place \$42,000,000 in the big banks of New York in 1907 to avoid the wreck and ruin of bank failures. This has been done on more than one occasion. Not a dime of interest was received on all of those millions which Mr. Morgan received from the Government to save the banking interests of New York. The panic came all over the United States, but New York was saved. Every well-informed man knows that the Secretary of the Treasury has deposited money in banks to help out in crucial times, and this is wise and proper.

Can not this Congress under the Constitution give relief to the men who raise the cotton, the greatest product to bring the world's gold to the United States? No gratuity is asked, no scheme is proposed that could jeopardize the currency of this Government.

I feel that unless something be done the farmers who raised the cotton will be forced to part with their cotton at 6 and 7 cents per pound, and that the middle men and speculators will hold onto it until they get the value out of it. What good will that do the farmer? He is the man I am trying to help, and this amendment will help him. I wish every farmer could stack his cotton under a shed and let it stay there until it goes to 10 cents or more per pound. I know he could hold it if this Congress will pass this bill or amendment so that he could borrow the money to pay up his pressing debts. All other products are rising in value, and if the farmer eats any flour bread or biscuits he will have to pay \$7 a barrel for it. The manufacturers of cotton in our own country are anxious to get cotton as cheap as possible and to sell the output of their mills at as high prices as possible.

As one friend of the farmer in this Congress I do not want to sit idly by when I know we have the right under the Constitution to pass this legislation that would enable him to hold his cotton until he can sell it for what it is worth.

Mr. HENRY. Mr. Speaker, I yield to the gentleman from Texas [Mr. HARDY].

Mr. HARDY. Mr. Speaker, it is not, in my judgment, so much the want of credit that the South suffers from now; but it is the want of a market. I believe it is my duty also to say here now, in view of some criticisms I have heard, that the



Secretary of the Treasury, in my opinion, has earnestly, and with love and devotion to the South, put forth every effort that he possibly could to come to our relief. I do not believe there is a warmer sympathizer with us in our distress in the Halls of this Congress than is the Secretary of the Treasury. We have had opportunities extended to our banks to obtain all the credit that they need, but how to get that credit extended to the farmer has been so far the unsolved problem. And if the same opportunity for credit were extended to the farmer that has been extended to the banks—that is, the opportunity to borrow on ample security—would that enable him to tide over this period of distress, which has grown out of a want of a market for his cotton?

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. GLASS. Mr. Speaker, I yield to the gentleman from Texas.

Mr. HARDY. Mr. Speaker, it does seem to me that the amendment offered to this bill may afford some relief, but I fear not very much. The trouble is that even if the banks were full of money they could not loan it except on ample security. If they were ready and anxious to make well-secured loans at reasonable interest, could they in justice to their depositors loan more than, say, three-fourths the market price of the security at the time they made the loan? If this amendment were law, some men who owe little and have much could borrow perhaps enough on their cotton to enable them to hold it.

But, Mr. Speaker, what good would it do to the man who has a little home half paid for, who has raised 30 bales of cotton, and who owes to some loan company of the purchase money, say, \$4,000, bearing 8 per cent interest, and payable the principal and interest in five annual installments? Would it help him if he could borrow \$900, or \$30 a bale, on that cotton after he had stored and fully insured it? He must raise eleven hundred and twenty dollars. Let us figure, if you please, on that man's situation. Perhaps he has raised enough corn, oats, hogs, poultry, and little things to have fed and clothed his family during the year, and has hired no help to make the crop, and when cotton-gathering time came he owed nothing except these sums on his home. It is a violent assumption or a rare condition, but I am supposing a case of the most deserving and thrifty young farmer I can imagine. What then? To save his cotton from waste he must hire at least half of it picked at a cost of at least \$8 a bale, or \$120. Ginning and bagging will cost him \$3.50 per bale, or \$105. Warehousing and insuring will cost him about \$2 a bale, or \$60.

This makes a total of \$285. We will credit him with \$6.50 per bale, or \$195, for his seed, which is about what he got, allowing nothing for saving over any seed to plant next year. This would leave \$90, I think, at the very least, to come out of his cotton, on which he was borrowing \$900, with interest, say, at 6 per cent taken out in advance. He would have left \$766 with which to save his home. Such a man is a thrifty man; he has made by-products carry him. He is an industrious man; he has made good crops. He is a frugal and economical man and he is a lucky man; he has had no sickness nor stock losses, yet he has \$766 to meet \$1,120 of debt. Oh, but you say, if he comes within \$400 of paying up, his creditors will give him time. That may be, and then, again, his creditor may demand what is due him, bring suit, and sweep away from him what he had worked years to get together. Hundreds of thousands of such cases will occur in the South, if something better than even this amendment is not found, even if, under this amendment, plenty of banks were found ready and willing to advance 6 cents a pound to all who wished to borrow on cotton. I confess that at one time I thought the cotton section could tide over their evil hour fairly well if they could borrow 6 cents per pound; but I say frankly now that will be small help to the great majority of our people.

Let me give another illustration. A small merchant, in a rich cotton county, has been advancing to small farmers and tenants all during the year. He is easily worth \$20,000 over all his indebtedness if times were normal, but he has advanced perhaps \$50,000 worth of farm supplies and has on hand goods worth \$10,000. Now, he owes, we may presume, \$30,000 to the bank and to the larger merchant from whom he bought. He can collect only between a half and a fourth of what is due him. If he collects \$20,000 only he can not pay what he owes and must go to the wall. Or take the case of a landlord who has supplied his tenants, as is frequently the case, close up to the margin of what the tenant expected to make. The tenant can only pay half or less. What becomes of the landlord if he has simply supplied the tenant by using his credit? If the banker or foreign merchant demands payment, the merchant or landlord must also demand payment. And all along

down the line inability to pay in full spells ruin. I fear I can not make myself clear enough for those who are not of the South to understand the situation. The whole fabric of our system is gone. Let me explain it or try to in another way. I make the statement that a landlord owning a good farm, but owing something on it, having made a good crop this year is in worse condition than he would have been in any normal year if a cloudburst had singled him out and destroyed every house and every acre of cotton and corn on his place, because in that case he could easily have gotten credit to start over. His neighbors, his merchant, his banker, his credit would have helped him, but to-day there is no help in any of these. He is simply stripped, and there is no help for him if he is forced to pay.

I vote for this amendment because it will do something, but the wisdom and statesmanship of this country ought to do more. What the farmer needs is not to be able to borrow but to be able to pay. And to make him able to pay he needs not the privilege of borrowing, but a market for his crop, so that he can sell it and pay his debts. If I had the opportunity I would like to vote for what is known as the Hoke Smith proposition, provided some of its features were stricken out. That is to say, I would like to vote to provide the issuance of \$250,000,000 United States bonds in small denominations, bearing 4 per cent interest, to be used in buying 5,000,000 bales of cotton at 10 cents per pound, the cotton to be taken off the market and held by the Government till 1916 or until it brought 11 cents per pound, and to levy a uniform tax on the cotton production of the South to make good any possible losses that might come to the United States by reason of the transaction. Mr. Speaker, this would not be valorization or attempting by law to fix the price of a commodity. It would simply be the Government of the United States advancing to the whole cotton industry of the United States a loan of \$250,000,000 to enable it as one industrial enterprise to take care of its surplus while it marketed in a reasonable way and for a reasonable price that part of its product for which there was a demand and market.

I shall not enter into the discussion of the constitutionality of such a measure, but it is constitutional under the same interpretation of the Constitution and in the same way that the law was and is constitutional by which we spent \$400,000,000 to build the Panama Canal and millions upon millions to clear out and deepen our harbors and rivers to aid commerce and preserve and build up our industries. I know that other nations under like conditions have not hesitated and would not hesitate to go to the aid of great industries. Even to-day I find in the New York Journal of Commerce of October 19 this item: [Special cable to the Journal of Commerce and Commercial Bulletin, October 19, 1914.]

LONDON, October 18, 1914.

There is a growing agitation here for some solution of the cotton situation. There has been considerable talk of direct purchases by English spinners in the American market. This talk has now ended. Manufacturers agree that the cotton industry can only be restored to normal by attacking present conditions at their base. The raw-cotton market must first be standardized.

It is hoped that the Government can be induced to advance funds for the purchase of this year's surplus cotton, either with or without the co-operation of your Government. Improvement must come first from a demand for the products of the mills at workable prices. Severe distress in labor is in sight, and it is not improbable that 90 per cent of the Lancashire looms will become idle.

But I can not blind myself to the fact that in the Senate the Smith proposition was defeated by a vote of 40 to 21; that 21 Democrats voted against it and only 17 Democrats for it, and that all those Democrats who voted for it were southern Democrats, and that no Democrat from Maryland, Kentucky, Virginia, or Missouri voted for it. Nor am I blind to the fact that such a law as the Smith amendment on our Federal statutes might open a very pandora's box of mischief in the future. Amendments offered by Senators from other sections while the Smith amendment was pending, such as one asking that \$500,000,000 of bonds be issued to buy up the grain of the West, and speech after speech showed clearly which way the proposition pointed. With the Smith proposition enacted into law I see clearly that it would be used as a precedent for every industry and every interest from every section of the country to appeal to the Federal Government for like assistance, and if these appeals were heeded our Federal Government would become a juggernaut of destruction for all the reserved powers, rights, privileges, and duties of the States once the pride and glory of our fathers. Even to me, in the extremity of desperation for my people, the Smith proposition had some features incorporated by its southern sponsors so obnoxious that I could not have supported it as it was. It not only sought Federal aid to take some of our cotton off the market, but it turned over to the Federal Government the direction of our industrial life,



fixing by Federal law what we should plant, and the apportioning of our crops, and penalizing our labor if we failed to observe its mandate.

The Smith proposition as a whole and other still more extreme and impossible propositions urged and insisted on from the beginning of our distress by southern Members, who have been loudest in their declamation and agitation, have, it seems to me, been a nightmare of unwisdom and bad counsel. The first grave mistake we made was in assuming that we had to make our fight alone and calling into conference only cotton State representatives. I think we ought from the beginning to have assumed that our relief was a national question and asked for the cooperation and advice of the ablest and coolest heads in all sections and parties of our country. As a result of the course actually pursued no measures of relief were brought to the front, until within the last few days, that any Members not from the South would support.

It plainly appears now, and I think it ought to have been always known, that we had friends in every State and in every party ready and anxious to aid us if we would show them how or let them show us how it could be done wisely and effectively. The speeches and votes of not a few northern and western Members and Senators, Republicans as well as Democrats, show this. And since this question may not have been dealt with by Congress for the last time, I am hoping that there may yet be an outgrowth from it of a warmer fraternity of feeling between the North and South—a stronger welding together of the two sections in mutual regard and common aim. When sons of the North and South in the Spanish War fought under one flag against a common foe much was done to end the bitterness of the past. When the two sections shall counsel together, earnestly and honestly seeking to lift up the one that is stricken, still more will be done to make this country and these States forever one and inseparable, because held together by bonds of love and devotion.

But with all this, if the amendment we are voting on shall be defeated or if it shall be carried, what more have I to suggest? Without being too tedious, let me tell you. I have said what we want is a market. I have told you some of the objections to the Federal Government attempting to furnish or provide that market. There remains but one other staff to lean on. That staff is the cotton-growing State itself. I urge that every cotton-growing State issue its own bonds, bearing, say, 4 per cent interest, in large and small denominations, and give these bonds in exchange for our cotton at 10 cents per pound basis midding to the extent of one-half of the State's whole crop for 1914. Let any possible loss to the State be made good by a tax on the cotton produced next year and thereafter, and let the State hold this cotton off the market till January, 1916, or until it shall sell for 11 cents per pound. The fact that the State holds this cotton, the tax on cotton will be sufficiently deterrent to prevent growing a large cotton crop next year, but inducements might also be held out to encourage other crops. I do not like penalties, certainly not criminal penalties, on labor or the products of the labor of freemen. But I am told that my State and other States can not issue such bonds as I urge because of the State's constitution inhibition. If that be true, let the legislature be asked to take the shortest way possible to submit to the people an amendment to the constitution, and while waiting for that amendment let the legislature pass such stay laws as will prevent forced collection of debts.

The remedy I propose is heroic, but the disease is the most fearful that has invaded our borders for more than a generation. We are stricken worse than we have been since armies trod and cannon sounded over our land.

If Texas will do this, other cotton States will follow. If Texas, Alabama, Georgia, Mississippi, South Carolina, and Oklahoma, the six biggest cotton States, will do this at once, in my judgment the remaining half of our cotton will sell for 10 cents before the 1st of April, 1915.

If this plan were pursued and there were any need, we could come to Congress at the December term and ask, with no fear of being denied and no fear of setting any dangerous precedent, that the Federal Government back every bond issued by the States with the entire credit and the fullest favor of the Nation.

For days and weeks, Mr. Speaker, after the European war broke out we were dazed and stunned by the magnitude of the misfortune that befell our people. Our brethren of the North have not yet fully comprehended it. It will only come home to them when our bankruptcy or our failure to pay shall lock the wheels of their industries and business. By December they will know. No wonder we have been lost in a maze of conflicting remedies. What I have suggested is not original with me. It was, I believe, the idea first of Mr. Harding, one of the members of the Federal Reserve Board and one of the soundest and

ablest bankers of the South. I care not who has the credit. What I do care for is the salvation of my people.

Let us of the cotton-growing States gird up our loins as strong men and go out to help ourselves. Let us cease for a while to look abroad for help. Let our own governors and legislatures get busy. Neither Congress nor banks, neither friend nor foe, is going to lend to us without ample security, and no one is going to help us till we first help ourselves. We have the power to help ourselves in the way I have suggested. Will we do it?

Mr. HENRY. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. SMALL].

[Mr. SMALL addressed the House. See Appendix.]

Mr. HENRY. Mr. Speaker, I now yield to the gentleman from Louisiana [Mr. LAZARO].

The SPEAKER. The gentleman has not any more time to yield.

Mr. LAZARO. Mr. Speaker, I shall vote for this bill to help the cotton farmers of the South. Some gentlemen seem to think that this is radical legislation. In reply I wish to say that we are facing a serious condition, and it requires quick action and a certain remedy. If this bill becomes a law, it simply means that our distressed farmers will be enabled to borrow money from the Government at 4 per cent interest on their cotton warehouse receipts, where the cotton is properly weighed, graded, and insured.

As we all know, we have lost our cotton market as the result of this horrible and bloody war in Europe. It came upon our people like a clap of thunder in a clear sky, and has left us with a large crop and without a market, and as a result of it middling cotton, which was selling at 13 cents a pound when the war broke out, is now selling at 6 cents a pound at interior points. From August 1, 1913, to October 5, 1913, exports of cotton from our ports were 1,307,000 bales, of an approximate value of \$85,000,000. For the corresponding period of this year there were exported but 152,000 bales, of an estimated value of about \$5,000,000. These figures show not only that we have practically lost our foreign market but that we are sacrificing our product when we do export it, and it should be plain to any thinking man that the only remedy now is quick money to help us hold our surplus cotton and to enable us to sell the balance at a better price.

Some contend that the remedy now is to reduce the acreage or prevent the growing of it altogether by law for next year. I do not believe this is practicable, and it seems to me that this is no time to discuss what should be done to relieve us for next year's crop until we have applied a remedy for this present crop. The time to apply the remedy is now. The cotton farmers understand that they must reduce their acreage for next year, and they will do so voluntarily. They understand, too, that this war will cause the price of foodstuffs to rise, and they will diversify and live more at home. In other words, if they can get present relief in this emergency by borrowing money at a low rate of interest and not have to sacrifice their present crop, they can tide over until they can produce a diversified crop for next year on which they can live, and the cotton that they will have held over they can then offer to supply the necessary demand and in that way evade the impending calamity.

Gentlemen, I am a cotton planter myself, and I speak from experience. I have here an account of sale of cotton produced from my place and sold for 6 cents a pound. This cotton has cost about 8 cents or 10 cents to grow it. Now, I ask you as fair-minded men how can our people pay their debts and get along in this emergency unless help comes to them immediately? But, gentlemen, I submit that we are not beggars asking you to give us money out of the Treasury for nothing. On the contrary, we are offering you the best security in the world for the loan we ask. We are offering you middling cotton weighed, graded, and insured as collateral for this money, and I submit that this is a sound business proposition that we are making you.

Do not think for one moment that this is a local condition affecting the South only, and that you are not interested in it. Far from it. We are an agricultural section, buying our horses, mules, farm implements, wagons, buggies, flour, meat, clothing, and shoes from you people of the North, East, and West. In other words this great cotton industry of ours dovetails into every other industry in this country, and if nothing is done in this emergency to save our surplus cotton and help us withhold it from going to the speculators and manufacturers for almost nothing it will leave us in a helpless condition, without money to buy from you who live in the other sections of our country. To do nothing in this crisis and permit the prostration of the South would be a crime against this great Republic of ours, and the prostration and financial ruin of any



section of the United States is bound to be a serious blow at the financial life of the whole Nation.

We of the South have always been willing to help the people of other sections during periods of stress. I do not have to go back far into the history of our country to find examples of our good faith. We showed that spirit two years ago during the Ohio flood, and we did so recently on two occasions, when the city of Salem went up in flames and when we helped to bring back the American tourists who were caught in the war zone. Now we are facing a calamity, and we appeal to you to help us in a legitimate way. You can do so by passing this bill, and the emergency of the times and the consummation of its purpose amply justify its passage.

Mr. HENRY. Mr. Speaker, will the gentleman from Illinois yield me two minutes more?

Mr. MANN. Is the gentleman's time all exhausted?

Mr. HENRY. Yes; and I have only two more gentlemen who wish to be recognized.

Mr. MANN. I thought the gentleman from Georgia [Mr. HARDWICK] was to be recognized.

Mr. HENRY. He does not care for any time now, but will use it under the five-minute rule.

Mr. MANN. I will yield to the gentleman two minutes more.

The SPEAKER. The gentleman from Illinois yields two minutes to the gentleman from Texas.

Mr. HENRY. Mr. Speaker, I yield to the gentleman from Alabama [Mr. BLACKMON].

Mr. BLACKMON. Mr. Speaker, my colleagues from the South have so fully set forth the present needs of the cotton producers in the South that I shall not attempt to enlarge on what they have so well said. We are soon to have a vote on an amendment to this bill which will authorize the issuance of \$250,000,000 to be used to aid in taking care of the distressed conditions in the South. A great many of the gentlemen on the Republican side say they are my friends. I believe they are, and I am their friend.

Now, what I want you gentlemen on that side of the House to do is to assist us in passing this amendment. This, more than anything else you can do or say, will prove your friendship. The farmers have become tired and weary of advice; what they want and what I want for them is money, now, to aid them in holding their cotton.

Mr. HENRY. Mr. Speaker, I yield to the gentleman from South Carolina [Mr. AIKEN].

Mr. AIKEN. Mr. Speaker, I am one of those who believe the Government can do something for the relief of the people of the South, who are facing disaster because of the great drop in the price of cotton, their principal crop, and I will oppose the adjournment of Congress until something is done along this line.

The people of the South are not asking alms, they are not asking a gift of any kind; they are simply asking that the Government perform its rightful functions. They are asking that the Government do something for a great part of the people and not for any special interest. One-third of the people of the United States are directly interested in the cotton crop. The price of cotton has been cut in half by the war in Europe, and unless something is done for the people of the South they are going to have the value of their labor this year cut in half. They can not afford to bear this loss, and it is not right that they should have to bear it.

In the past the Government has been lavish with the public funds. We have built the Panama Canal, at enormous expense, to benefit the whole country, and during the last session of Congress we appropriated \$30,000,000 to build a railroad in Alaska to develop that far-off territory. The Panama Canal will be of no special direct benefit to the people of the interior of the country, and the railroad in Alaska will not benefit one person in 100,000 in the United States proper. I doubt seriously if we had constitutional authority for the appropriations for the Panama Canal or for the railroad in Alaska, yet there was no great objection to these appropriations. And if we had authority for these appropriations we certainly have authority for emergency legislation now for the whole people of the South.

Then we have spent many millions for the irrigation of the arid lands of the West, and every year we spend millions on river and harbor improvements. The money spent on these projects can benefit at best only a comparatively small part of the people. We seem able to find constitutional authority for these appropriations, and there is, as a matter of fact, no great objection to them on the part of the people. The people of this country, and especially the people of the South, are

broad-minded, and they indorse the proposition that it is good policy for the Government to try to develop the country in every reasonable and proper way. This attitude on their part makes it all the harder for them to understand why the Government can not do something for them now in the hour of their greatest distress. The people of the South will be disappointed if something is not done, and I believe the people of the other sections of the country will indorse all reasonable and proper legislation along this line. Sectional lines have long been obliterated, and an appeal from one part of our people in distress touches the hearts of all our people.

There may be honest differences of opinion as to what is the best thing to do, and I think that perhaps the people of the South may have suffered in the opinion of the rest of the country because of some measures that have been advocated. Some propositions have been made that have impressed me as being utterly impracticable. But we can not excuse ourselves by simply opposing what we consider unwise measures. If we are to be true to ourselves and to the people who sent us here, if we are to be worthy of the positions we hold, we must work out a plan that will give the relief that is needed. I will never concede that we can not do this.

Like many other thinking men, in Congress and out of it, I have my own ideas as to what should be done, but my pride of opinion does not carry me so far as to oppose everything else if I can not get just what I want. I believe there is sufficient ability and statesmanship in this Congress to solve the problem that is before us, and I will support any plan that meets the approval of the majority.

I have been an advocate of a rural credits system and have introduced a bill along this line. I believe that the problem of the South of to-day would be solved if we had a system by which farmers could borrow money direct from the Government on their farm lands, on long time, and at low rates of interest. If we had that law to-day, the farmer who has cotton could borrow money—not on his cotton but on his land—and he could store his cotton and grow other crops until cotton again became profitable. The mechanic in the city or town who finds himself thrown out of employment because of the business depression could under such a law buy a little farm and make a living for himself and his family while he was paying for his home. Farm land, managed and tilled by an ambitious man, would be as good security for a Government loan as a Government bond itself.

I think we might pass such a law as this and get it in operation within a short time, and that it would be the salvation of the South, and there will probably come times when it would be the salvation of the farmers of other sections of the country.

But if it be impossible to work out a rural credits bill now and put it in operation, then do something else. Give us emergency legislation of some kind, for there can be no denying the fact that the people of the South to-day need help as badly as any people ever needed it. And I am not yet ready to believe that Congress will adjourn without giving it.

I can not conclude these remarks, Mr. Speaker, without giving expression to a thought that weighs very heavily upon me, and that is that the farmers of the South are themselves very largely to blame for the plight they are in to-day. Of course they had nothing to do with bringing on the war in Europe and thus cutting off the market for their cotton, but they have been to blame for attempting to grow nothing but cotton. By doing this they have put themselves at the mercy of people and conditions over which they could have no control. The climate of the South is ideal; its soil is the most fertile in the world. The people of the South can grow successfully any crop that is grown anywhere in the United States. The people of the South can make all their foodstuffs at home. And if they had been doing this, and making cotton as a surplus, they would not now be facing disaster and coming here in desperation and asking for help. But while they may have contributed to their present condition, they are none the less in sore straits, and they deserve whatever help we can give them. And I believe the help we are asked to give now will be simply emergency help. I believe the people of the South will learn a much-needed lesson from this experience, and that from this year henceforth they will pursue better methods. They will grow on their farms the things needed on their farms—grains and meats—and that in the future cotton will be a surplus crop, a money crop, pure and simple, and not a food crop. That is the trouble now; many farmers depend on the sale of their cotton for actual food for themselves and their families and the horses and mules that pull their plows. If they can not realize money on their cotton, they can not eat. This is an ugly truth, but it is the truth



nevertheless. So we are asked for emergency legislation, and the emergency is very real and pressing.

And for this reason I am prepared to support almost any legislation that meets with the approval of my colleagues, and I am unwilling for the Congress to adjourn until something is done. [Applause.]

Mr. MANN. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Mr. Speaker, about the only reason advanced in favor of the amendment proposed by the gentleman from Georgia is that submitted by the gentleman from Alabama [Mr. BLACKMON], who requested gentlemen to support this bill on the ground of good-fellowship. Even the proponents of the measure state it is not workable. I wish to point out a fatal weakness in reference to this amendment, and that is that the banks, State and national, which are presumably engaged in loaning money to their customers, will not accept these funds when it is conditioned under this act that the money is to be loaned at the low rate of one-half of what they are receiving on their outstanding loans. It stands to reason that they would not accept this money, and you can not force them to accept it, under the condition to loan it out at 4 per cent. The bank's paper which they discounted at 6, 8, 10, and higher per cent would never be renewed at those rates.

I am opposed to asset currency. I am not in favor even of the original proposition contained in the Senate bill. I read the circular letter of the Secretary of the Treasury, which I obtained this morning from the department—and that reminds me that at the present moment the national banks of the South have \$150,000,000 of circulating currency now available which they have not availed themselves of—and under the Aldrich-Vreeland bill, as shown by the Secretary's letter, they can today deposit their warehouse receipts for cotton, tobacco, and naval stores, and for 75 per cent of their face value receive emergency currency; and yet the southern banks, to the extent of \$150,000,000, have not availed themselves of that privilege. As the gentleman from Texas [Mr. HARDY] says, it is a matter of marketing the cotton and not a matter of credit. This bill only provides for credit, and the banks at present have ample currency for credit. This bill would furnish little relief to the cotton situation, and, more, it would establish a most dangerous precedent.

The SPEAKER. The time of the gentleman has expired.

Mr. MANN. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. STEENERSON].

Mr. STEENERSON. Mr. Speaker, I regret exceedingly that the appeal in support of this bill has been made in this manner, so largely based upon sympathy. Of course we all realize that the decline in the price of cotton, due to the European war, is a serious calamity to the cotton producers of the South, and we all sympathize with them; but this is a matter that must be decided upon sound economic principles and not upon sympathy. Notwithstanding my strong desire to aid, I am convinced that the remedy proposed is worse than the disease, and that the people concerned would be injured rather than benefited by the remedy proposed.

It is not strictly accurate to say that this misfortune, this decline of the cotton market, is a calamity to be compared with the San Francisco earthquake or the Salem fire or any catastrophe of that kind. There is no analogy between them, because this is a thing that may recur at any time. In fact, the cotton producers are not the only ones who find themselves without a market on account of the European war. The market for copper is also depressed, and there are thousands and thousands of men engaged in that industry. I understand also that in production of perishable products, such as fruits—notably, apples—formerly shipped to Europe, and for which there is no market, a large number of people are engaged, and they are also in the same predicament. This amendment is based upon a wrong theory. This relief here sought will not remedy the evil at all. This bill ought to be denominated, or rather this amendment ought to be denominated, "A bill for the free and unlimited coinage of cotton and tobacco without the aid or consent of any other nation whatsoever." That would be a more appropriate title. It does not provide for loaning on cotton, but the purchase—that is what it amounts to—and holding it until the market revives.

This bill proposes that the United States shall issue \$250,000,000 of greenbacks without a dollar of gold reserve to back up the issue and deposit it in the State and National banks of the States producing cotton and tobacco, to be loaned on the security of those commodities. There is an alternative provision authorizing the Secretary of the Treasury to sell Panama Canal bonds to the amount of \$240,000,000 and deposit the funds so raised in banks, to be loaned on the security of cotton and

tobacco warehouse receipts. It is the most dangerous inflation scheme ever proposed. If carried out, it will destroy faith in the soundness of our whole currency, drive gold into hiding, and produce general financial disaster.

Now they say that this decline in the cotton market is unprecedented. Let us see about that. The gentleman from Oklahoma [Mr. MURRAY] inserted in the Record a table of the prices of cotton, and I find that during the last Democratic administration the prices were lower than they are now, without any war in Europe. These are Democratic prices. In 1893 the price was 7½ cents, in 1894 it was 5.9, in 1895 it was 8.2, in 1896 it was 7.1, in 1897 it was 5.6. The Dingley law was passed in July, 1897, and it took some time for business to revive and raise prices.

Mr. WEBB. Cotton went to its lowest point in 1898, under the McKinley administration.

Mr. STEENERSON. Yes. Business had not fully revived; you had four years in which to ruin the country. It took some time to revive business.

Certainly, by this time, we ought to have an efficient currency system. You have loudly proclaimed to the country that you have given us an ideal system. I hope so. You remember that the President only a day or two ago in his letter to Mr. UNDERWOOD, published in the Record, said that we now had an ideal currency system capable of meeting every situation. He said:

In like manner, by the currency bill, we have created a democracy of credit, such as has never existed in this country before.

Further on he says:

Let bankers explain the technical features of the new system. Suffice it here to say that it provides a currency which expands as it is needed, and contracts when it is not needed; a currency which comes into existence in response to the call of every man who can show a going business and a concrete basis for extending credit to him, however obscure or prominent he may be, however big or little his business transactions.

But this does not agree with the testimony of the leading Democrats of the South. The gentleman from Alabama [Mr. HEFLIN] in his speech yesterday, as it appears in the Record, says:

But, Mr. Speaker, we are in distress; we must have relief. Other agencies have failed us, and we turn now to the Government of the United States and ask that it grant us the use of some of the public funds in order that we may hold our cotton and prevent panic and bankruptcy among the producing classes of the South. [Applause.] This Government owes more to its producing classes than to any other class of its people. Why, then, should special favors be shown by the Government to banks and to bankers? We can not all be bankers, and when the banking institutions refuse to aid the productive industries of our country, and when they permit the producer to be greatly handicapped and seriously injured in his business, then it is the duty of the Government to do the thing necessary to relieve the distress of the industrial and producing classes, in order that they may not be deprived of the fruits of their labor and industry.

To the same effect was the speech of the distinguished gentleman from Texas [Mr. HENRY], chairman of the Rules Committee. It will be interesting to learn how these gentlemen will harmonize what they now say with the boastful declarations in their campaign literature.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The gentleman from Illinois [Mr. MANN] has five minutes remaining.

Mr. MANN. Does the gentleman from Virginia [Mr. GLASS] desire to proceed?

Mr. GLASS. I supposed I would be permitted to close the debate.

Mr. MANN. Is the gentleman going to close in one speech?

Mr. GLASS. Except that I will yield to my colleague from Massachusetts [Mr. PHELAN], in order that he may secure leave to print. I do it now.

Mr. PHELAN. Mr. Speaker, I am opposed to this so-called "Hardwick amendment" authorizing the issuance of \$250,000,000 upon the security of cotton or tobacco warehouse receipts, because I believe its enactment would imperil our whole credit and financial system. The proposed amendment is repugnant to every sound economic principle. In a limited time I can only briefly point out some of the many objections to this proposed amendment.

It is objectionable, in the first place, because it is special legislation, confined to specific sections of the country and to specified commodities, cotton and tobacco.

The amendment is, moreover, objectionable because it specifies a special rate of interest, namely, 4 per cent. This is discriminatory when the prevailing rate all over the country is from 2 to 4 per cent higher.

It would be, furthermore, a serious danger to issue the proposed notes through State banks. They are not subject to examination by our National Treasury Department, nor in any way under national control. Even though they would submit to



examination there are not sufficient examiners available to make satisfactory examinations within the limited time available. Again, in many States State banks have not the limitations as to the amount of loans which can be made to individuals proportionable to the capital and surplus of the banks, nor subject to the double-liability provisions with reference to stockholders.

In addition, there is the very practicable objection that plates from which to make the proposed bank notes could not be furnished for many weeks. A delay of many weeks would defeat the very purpose of the bill.

There are even more important objections, which are fundamental and fatal.

The proposition to sell \$240,000,000 of Panama bonds is absolutely impracticable. There would be no market for these bonds, because the banks would not invest their money at 4 per cent when they are getting from 6 to 8 per cent, and they would not at this critical time invest their funds in permanent investments, but would continue to keep their funds in the most liquid kind of assets obtainable.

What is even more important, they would not deplete their reserves by using gold to buy bonds. Even granting that they would, such a course would be disastrous to the whole financial business of the country, because at the present time, with the heavy withdrawal of gold by European countries, there is little enough gold in the country as it is, and the supply is needed absolutely for reserve purposes.

The bond proposition, therefore, is entirely unfeasible, first, because bonds could not be sold, and, second, because the gold of the country ought not to be drawn away from the reserves.

As to the alternative proposition, namely, to issue \$250,000,000 of United States notes, enactment of this proposition would menace our whole financial structure. First, however, let me state that it is extremely unlikely that even though these \$250,000,000 of notes were issued to banks, prudent bankers would make loans to any extent upon cotton as security. To-day there is a large amount of currency in banks in the cotton States. The principal reason it is not loaned is because cotton has no market, and, accordingly, has no stable price. No prudent man will take cotton for security until he is certain that the cotton can be sold. Every Member of Congress with whom I have talked on the subject admits that the whole of this year's cotton crop can not be sold for 10 cents a pound unless it is certain that next year's crop will be greatly curtailed. There is, however, not the slightest assurance that there will be this curtailment, and it is very difficult to find any practical method by which next year's cotton crop can be curtailed.

The whole problem amounts to this: Before cotton can safely be used as security for loans on a basis of 10 cents a pound there must be a definite assurance that cotton will at some time in the future sell for 10 cents a pound. There has been no plan evolved to give any assurance that this year's cotton crop can be sold at 10 cents a pound. Under present conditions loans can not be obtained upon cotton because cotton has no price.

In view of all the conditions it would be a positive peril to issue \$250,000,000 upon cotton as a security as proposed in this amendment. No provision for an adequate gold reserve is made in this bill. If it be argued that these proposed notes are not redeemable in gold until the 1st of January, 1916, then it is questionable whether or not these unredeemable notes, even with the 2 per cent interest, would remain at par. No one would keep notes for the 2 per cent interest when the same amount of currency redeemable in gold could be used to obtain a far greater rate of interest. It is quite probable, therefore, that these notes would fall below par. Then again, there is no certainty that on January 1, 1916, when they are redeemable, that there would be gold enough in the Treasury to redeem them. The whole proposition is full of danger and peril. The enactment of this amendment would threaten the security of the United States Treasury Department. It would, moreover, afford the opportunity for wild inflation. It is an absolutely unsound principle to issue United States notes upon security which has no present market value and which may not have a reasonable market price even in the future, and which is not a liquid asset but a fixed asset.

I think we all appreciate the unfortunate distress in which the cotton States find themselves to-day because of the outbreak of war in Europe. I think the Members of this Congress would go a long way to help any section of the country suffering as the cotton sections are suffering at this moment, but it would be a foolhardy action to endanger our whole credit and financial system, to bring about almost certain disaster to the commerce and industry and agriculture of the Nation by enacting any such imprudent, unsafe, and fruitless bill as is offered in this amendment.

Mr. GOULDEN. Mr. Speaker, every citizen, no matter from what section he hails, sympathizes with the distress existing in the cotton States due to the war in Europe. This appeals to all of us; but, representing the people of the country, as we do, the bill, and especially the amendment, before the House is not, in my judgment, safe nor sound. It is a new departure in our well-established financial policy. The amendment proposed by with the proposition would for a moment consent to a return to the old greenback days, which, if it had been adopted then, would have demoralized every business and commercial interest of the country. We escaped that calamity, and no one familiar with the proposition would for a moment consent to a return of that chaotic condition. If adopted now by the Congress and approved by the President, the latter being very doubtful, it would fail to give the needed relief to the suffering cotton farmers. It would require at least 6 months to put the machinery into successful operation to carry out its provisions. The 13 months in which these notes are to mature and to be paid in gold would speedily pass and the people of the South be unprepared to redeem them. It would certainly be an entirely new departure, establishing an untried and experimental system of finance, and I am sure will not receive the approval of this House.

"An act to amend the national banking laws," as heretofore amended in an act approved August 4, 1914, is hereby further amended so that the words "that no national banking association shall be authorized in any event to issue circulating notes based on commercial paper in excess of 30 per cent of its unimpaired capital and surplus" is amended to read as follows: "That no national banking association shall be authorized in any event to issue circulating notes based on commercial paper in excess of 100 per cent of its unimpaired capital and surplus."

I am opposed to the change to 100 per cent, as it is too near the danger line of solvency. The increase from 30 to 75 per cent may be justifiable, when handled by the Federal Reserve Board. However, if approved by the Congress, I shall reluctantly acquiesce and vote for the measure. Frequent allusions were made on the floor to-day, charging that my own city—New York—which I have the honor in part to represent, has been favored in times past.

Moneys have been deposited in the great financial institutions of New York for the relief of the country at large and only on the most unquestioned security. It is universally recognized that this city is the great commercial and financial center of the country. All must look to it for advice and relief, and while our great institutions may have taken advantage of their opportunities they have frequently saved the Nation from distress and panics.

The bill S. 6398, as reported from the Committee on Banking and Currency, in the main is one that men believing in sound money and a stable currency can support. The report of the committee, among other things, says:

The enactment of this bill is urgently recommended by the Federal Reserve Board and the Treasury Department upon the ground that it will greatly facilitate and amplify the relief which the Federal reserve system is expected to afford the business interests of the country in the existing financial emergency.

When the Federal reserve act was framed it had for its purpose the gradual concentration into 12 Federal reserve banks of the scattered gold reserves held by many thousand banks and the gradual elimination of balances kept as reserves with reserve agents in reserve and central reserve cities. This plan of gradual development was adopted for two reasons: First, because a rapid withdrawal of all reserve balances from reserve agents would have created a dangerous disturbance; and, second, because it was thought that elasticity should be added step by step only to our present system lest it should stimulate too rapid expansion.

It so happens that many banks, especially in the South and West, have not enough investment in bonds and other securities to enable them to put out the amount of circulation which they now require and to which they should be entitled within the limitation provided by the act of August 4, 1914. These banks, however, have an adequate supply of commercial paper, and, inasmuch as this security is now recognized as the most liquid of assets, there seems to be no reason for denying the issuance of emergency currency to national banks which are able to offer it as security.

Just at this time a considerable amount of additional currency is demanded, and the demand seems to be justified. Crop-moving season is at hand, and at this time of year the amount of currency in circulation is greater than at other seasons. Over and above the usual seasonal demand there is now an exceptional demand owing to the fact that the necessities of Europe growing out of war have caused a substantial gold export movement. There is reason to believe, too, that doubts and fears arising from the great European war have prompted a certain amount of hoarding of specie in this country. It is desirable that the shortage of currency growing out of these causes should be promptly supplied by the issuance of emergency notes which will be retired whenever the emergency may be passed. The progressive tax imposed on the emergency notes by the Aldrich-Vreeland Act as amended, and the discretion given the Secretary of the Treasury to require of the issuing banks additional gold deposits in the redemption fund, will have the effect of causing the retirement of the notes when they are not needed to supply an actual demand for a circulating medium.

The bill as amended has the approval of the Treasury Department and the Federal Reserve Board.

In my judgment, the Federal Reserve Board, with the bill offered by the Committee on Banking and Currency amending that measure, will have full power to meet this and all other questions. Our legislative bodies are too prone to tinker with



existing statutes, and usually with unfortunate results to the business interests of the country. What the people want and should have is a rest, so that business may adjust itself on a sound basis and universal prosperity bless our beloved country.

Mr. MANN. Mr. Speaker, when we passed the Vreeland Act there was a great deal of controversy in regard to the advancing of emergency currency based upon commercial paper. The national bank notes had stood for many years as solid as the legal-tender notes and as good as gold; and we finally provided in the law that emergency currency might be issued on the terms named in the Vreeland law to the extent of 30 per cent of the capital and surplus of the banks. The Senate the other day passed this bill increasing that amount from 30 per cent to 75 per cent, and the Committee on Banking and Currency have now reported the bill again, proposing to increase it from 75 per cent to 100 per cent, so that we now propose by the bill to permit emergency currency to be issued by the banks to the full extent of their capital and surplus. What we thought was a striking innovation only a few years ago—to allow 30 per cent—has now grown to be a minor thing, when we propose 100 per cent. Gentlemen seem to forget that there is now more money in circulation in the country per capita than ever before, and less credit. Printing large sums of money does not help the situation; it never has and never will; and the proposition here to increase the emergency currency based on the commercial paper is, in my judgment, a very dangerous proposition of itself. Now, the cotton proposition, which is to increase the legal-tender notes by \$250,000,000, without any gold reserve behind them in addition to the present gold reserve, is itself a dangerous proposition. What the South needs is a market for cotton. If a billion dollars were to be placed in the banks of the South to-day, I doubt whether money would be any easier to borrow there to-morrow. Men loan money with two objects in view—one to secure the return of the principal and one to secure the return of the interest upon the money. And people in the South and banks elsewhere will not loan money upon cotton or anything else unless they feel fairly secure that the money will be returned to them; that their security is good. You to-day have no market price for your cotton. If you had, you would have no difficulty in borrowing money to the extent that it is a reasonable security. And printing bank notes will not add to your relief; it will take away from it. The more bank notes the Government prints the less credit there will be in the land. The more asset currency that is issued without sufficient assets behind it the less credit there will be in the land. You may start the Bureau of Engraving and Printing or the Government Printing Office to printing money, but what good would it be? It will soon be worth no more, if we keep on in this way, than the bales of assignats in France were, where they became so cheap that they were baled up like cotton. [Applause.]

The SPEAKER. The time of the gentleman from Illinois [Mr. MANN] has expired.

Mr. KIRKPATRICK. Mr. Speaker, there comes from the South an appeal for help. It is a cry from Macedonia, and I will not turn a deaf ear. The Congress of the United States responded when a calamity befell San Francisco, when the lands of Ohio were deluged, and when thousands in Salem were homeless, and even when pleasure seekers were detained in Europe the vaults of the Treasury were opened and thousands of dollars were immediately dispatched to relieve their embarrassed condition.

And yet there are those who are saying there is no precedent for helping the panic-stricken people of the cotton belt. If, as some say, there are no precedents, then in God's name let us make one; for it is never too late to establish a good precedent.

Not long ago I was in Charleston, S. C., and there I found baled hay from Ohio, and in all the Southland I find meat, breadstuffs, and other manufactured commodities from the North world without end. Our trade relations with the South are now practically paralyzed, almost cut off, as it were, by a successful blockade. The privilege of selling abroad their surplus products is confined almost exclusively to cotton, and because of this we are asked to lend a helping hand, not by way of gift or donation, as was the case with San Francisco, the valley of the Ohio, and the people of Salem.

Unfortunately the people of the South have not indulged in the planting of a diversity of crops, thus they depend almost wholly in their expectancy upon a single article, namely, cotton. No such a crisis or calamity has befallen our people since the War between the States. The appeals of these people are modest and not extravagant; they only ask that the use of the credit of all our people be extended by the Government until such time as normal conditions can be restored—conditions which are now disrupted by a world war. I am for this measure without halt or hesitancy.

If in 1907 the President went to the rescue of the gamblers in New York to such an extent that only \$17,000,000 of available cash was left in the Treasury of the United States, then why not heed the cry of a people whose God is our God and whose flag is our flag, and thus cement anew the bonds of a reunited people?

Mr. BAILEY. Mr. Speaker, it seems to me that this measure embodies a proposal to base and justify a statute on an illegal and dangerous precedent. In his eloquent presentation of his side of the case during the discussion of the special rule the gifted Georgian, Mr. HARDWICK, who is so soon to grace another body after long and useful service in this House, defended the proposition to lend the Federal credit to the cotton planters of the South on the ground that there was notable precedent for such a policy in the frequent devotion of the National Treasury to the needs of Wall Street.

Yet everyone knows that the Treasury usurped authority in so doing. It had neither a legal nor a moral right to divert the public funds to a private end. Of course, it may be argued that but for this usurpation a frightful financial calamity would have befallen. But, on the other hand, it may be argued with even greater force that the conditions which called for Treasury intervention might never have arisen but for the latent assurance on the part of Wall Street stock gamblers and big-business boomers that Uncle Sam would come to their rescue when they could no longer make head for themselves.

The gentleman from Illinois [Mr. MANN] has said that in all history there is no parallel for the situation which now confronts the South. Yet there is scarcely a page of history which does not present such a parallel—not on an equal scale, but with the same elements of tragedy. What has happened to the cotton growers of the South? They have lost their market. But was not this what happened to the Ephesians when Paul came among them with his strange new religion? The acceptance of that meant to the artificers of Ephesus the loss of their market for the shrines of Diana. There was sore distress among them, and Paul was as unpopular there as one may be here who advocates a doctrine—rapidly becoming strange in this era of paternalism: run mad—which would restrict government to the exercise of its powers only for public purposes.

It were easy to multiply historic parallels on a minor scale for the calamity which has befallen the South as a result of European disturbance. Thousands of merchants in the course of the years have been ruined by changes in fashions. Their markets failed. It meant bankruptcy for the stagecoach when the locomotive began shrieking its way across the country. It meant bankruptcy for the horse-drawn carriage when the automobile honked its way into popularity. There was tragedy and heartbreak in all these events and in every event in the progress of invention which involves a sudden change in economic relations. And here on a gigantic scale we have repeated a familiar detail of the common life—a market that has gone bad. It is not gone altogether, as the market for tulips went when the tulip craze suddenly yielded up the ghost and left thousands in Holland and elsewhere stranded on the shores of bankruptcy. It is a frightful situation, but it is unprecedented only in the sense that it is the biggest thing of the sort that has happened in our time if not in all time.

And let me call attention to the fact that the benefit of this proposed amendment can not accrue in any large measure to the actual growers of cotton—the vast body of tenant farmers who do the work and produce the crop. This quarter of a billion fund which is to be loaned in the South at 4 per cent is to be at the disposal in a large way of the landowners, not at that of the land users. The net effect of this gratuity—for that is all it is, disguise it as we may—will be to stimulate speculation in cotton land in the South, with the certainty that this in the end will react on the tenant farmers in the form of higher rents.

This form of farm credits does not differ in any material aspect from other forms, nor will the results differ materially. In every application of the principle we are bound to see a common effect. For what is at the bottom of all these proposals? Nothing more than extending credit at less than the market rate to a certain class—in the last analysis to that class which owns agricultural land or to those possessed of a desire to enter that class. If farmers were permitted to borrow money at 4 per cent while the rest of us were obliged to pay 6 or 7 or 8 per cent, it is easy to see what would follow. A lot of us now engaged in other than agricultural pursuits would rush to get into a business offering so rich an advantage. This, of course, would mean a greater demand for agricultural land. And this in turn would infallibly mean stiff and increasing advances in the value of such lands. Land users, in consequence, would be compelled to pay more dearly in rent or in the purchase price



for opportunity to use it. This is the whole story. Nor can all the sophistry in the world change its essential details. It is writ large in the history of the race.

The South might obtain temporary relief by some such resource as the one proposed. But if we relieve cotton to-day because its market has failed, why not corn to-morrow and lumber next day and coal the next? All these fall upon evil times now and again. Our amiable but disgruntled friend from Washington [Mr. HUMPHREY] never ceases to lament the hard lines into which shingles have fallen since other material for roofing has become popular. He blames it on the Underwood tariff, of course, although this had nothing whatever to do with the shingle situation, the shingle makers of British Columbia being just as much in the dumps as those of Washington. The trouble with both is that their market has failed—not utterly, but to an extent which imposes hardship, if not actual loss. The changing fashion in roofing and not Democratic legislation is responsible.

The thought that abides with me in all this clamor for relief for southern cotton growers is, that to give it by the means proposed would involve a subversion of governmental powers. No one can outrun me in sympathy for those in distress in the cotton States. But I have sympathy for those likewise who in other States are in bad case as a result of the same great disturbance which has cost the South its market. If relief is to be voted out of the Treasury for the one, with what face shall we deny relief to the other? Is Uncle Sam a partial relative? Are there favorites among his nephews and nieces? Does he kill the fattest calf for this child, while for the other there is reserved a stone when the cry goes up for bread?

That things will right themselves for the South in due course of time I have not the least doubt. The man whose house burns down is always at some inconvenience and must undergo some hardship. But he can build himself another; he need not give up in despair; he need not dissolve himself in tears while waiting for some one to rebuild for him. Instead, he will show his fortitude, his self-reliance, his pluck in adversity, his determination to make good no matter what the distress or the difficulty. And so it should be with our southern friends. Their case is, indeed, a bitter one. But it is unusual only in its magnitude. In its bearing on the individual it is as everyday and homely as sickness and death. It is no more tragic than the destruction of a wheat field by a cyclone, the devastation of a corn field by the army worm, the blighting of a potato field by a pest of bugs, or the ruin of an orchard by the San Jose scale. It seems so only because the loss of the individual in this case is multiplied by millions. Yet to the individual sufferer it is precisely the same. Were he isolated he would never dream of appealing to Uncle Sam for relief. It is only where he finds himself a unit in the mass that he lifts his voice to beseech a sort of aid that can be given only by the opening of a very Pandora's box of paternalistic mischief.

By unanimous consent, Mr. STEENERSON, Mr. SLAYDEN, Mr. FARR, Mr. FALCONER, and Mr. KIRKPATRICK were granted leave to extend their remarks in the RECORD.

The SPEAKER. The gentleman from Virginia [Mr. GLASS] is recognized for eight minutes and a half.

Mr. GLASS. Mr. Speaker. It is scarcely necessary that I should reiterate the statement that no Member of this House has a greater appreciation of the trouble in the South or a greater desire to remedy it than I, but I am obliged to be guided by my judgment rather than by my sympathy in determining measures which are designed to relieve the situation. It is very desirable that the Congress should understand the facts of the case and not be misled by misconceptions, rhetorically expressed, of what has been done and what may be done.

Contrary to the repeated asseverations of gentlemen who favor the Hardwick-Henry amendment to this bill, there is no precedent in the history of this or any other country for the thing here sought to be done. It has been stated that in 1907, under the administration of President Roosevelt, he "took \$150,000,000 of Government funds and deposited them in Wall Street to aid the gamblers there." That was never done, nor anything like it, at that or any other period.

Mr. HARDWICK. Will the gentleman yield?

Mr. GLASS. I have not the time.

Mr. HARDWICK. I will take but a minute. How about the Money Trust investigation? Did not that show it?

Mr. BYRNES of South Carolina. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Virginia yield to the gentleman from South Carolina?

Mr. GLASS. I have but little time and can not yield.

The SPEAKER. The gentleman declines to yield.

Mr. BYRNES of South Carolina. Did he not deposit \$42,000,000?

Mr. GLASS. Neither Mr. Cortelyou nor anybody else ever took \$150,000,000 of the Government's money and "deposited it in New York to aid the stock gamblers."

Mr. BYRNES of South Carolina. Does the gentleman say he did not deposit \$42,000,000?

Mr. GLASS. As a matter of fact, he did not take \$42,000,000 and deposit it in New York for the aid of the gamblers. If he deposited that amount, it was to prevent a panic sweeping over the entire country and ruinously affecting all kinds of business everywhere.

#### NO DEPOSIT OF "PUBLIC FUNDS."

My friend from Georgia [Mr. HARDWICK] the other day quoted the Comptroller of the Currency as saying that the present Secretary of the Treasury had recently deposited \$40,000,000 of public funds in New York banks. I have here a letter from the Comptroller of the Currency, which I shall insert in the RECORD, saying explicitly that I was right in denying that he had ever done anything of the kind. Here is the letter in part:

TREASURY DEPARTMENT,  
OFFICE OF COMPTROLLER OF THE CURRENCY,  
Washington, October 20, 1914.

Hon. CARTER GLASS,  
House of Representatives.

MY DEAR CONGRESSMAN: I confirm the statement which I have just made to you over the telephone in response to your inquiry that the "\$100,000,000 of additional currency," which in my recent address before the Indiana bankers I stated the Secretary of the Treasury had announced his readiness to supply to the New York banks, if it should be needed, at the time of the international crisis, the 1st of August, was part of the emergency currency provided for under the provisions of the Aldrich-Vreeland Act, as amended by the Federal reserve act.

It was well known to every banker and business man, and I think we would have reason to assume that it was well known by every Congressman, that the hundred millions of additional currency which the Secretary of the Treasury offered to the New York banks in his announcement on August 2 was the currency which had been issued under the Aldrich-Vreeland Act and stored in the Treasury for the purpose of meeting any emergencies. It has met the emergency, and most effectively.

In my same address in the same connection I made this further statement:

"Is it not deeply significant and enheartening, as indicative of a new policy on the part of our Government, that in this emergency the administration of the restorative was not, as in the past, confined to the banks in New York City? For under the direction of Secretary McAdoo more than \$160,000,000 of currency has already, since August 1, with impartial hand, been distributed to the national banks in every section of the country where it has been needed, from Boston to San Francisco, and from the Great Lakes to the cities on the Gulf, helping to dispel and neutralize the poisonous fumes of distrust, alarm, and fear, which had begun to manifest themselves."

I find it hard to believe that there is any Member of Congress who does not know that the one hundred millions of currency which was so promptly furnished to the New York banks, and the one hundred and sixty millions of currency which, at the same time, I stated had been distributed "to the national banks in every section of the country when it has been needed," was the currency issued under the provisions of the Aldrich-Vreeland Act as amended, and it seems to me rather unfair for anyone to attempt to construe my statements, which I endeavored to make so very clear, into an announcement that \$40,000,000 of Treasury gold in the shape of Government deposits had been turned over to the New York banks. Nothing of the sort was done, and no statement of mine could fairly be construed as indicating anything of the sort.

Sincerely, yours,

JOHN SKELTON WILLIAMS.

So, Mr. Speaker, this currency that was sent to New York was not "the people's money," to which the gentleman from Texas [Mr. HENRY] perpetually is making reference, but merely emergency bank notes, \$160,000,000 of which were sent to all sections of the country alike, and not merely to New York. Texas and Virginia and Georgia got their share.

Mr. HARDWICK. Mr. Speaker, will the gentleman yield?

Mr. GLASS. No; I can not yield.

Mr. HARDWICK. I put the comptroller's speech in the RECORD.

The SPEAKER. The gentleman declines to yield.

Mr. GLASS. I know the gentleman did that; but what the Comptroller of the Currency meant in that speech, as he declares himself, was that \$40,000,000 of "emergency currency" had been sent to New York and not "Government funds." There is a vast difference. Any national bank may receive emergency bank notes upon application by impounding acceptable security in the required amount, depositing the necessary gold-redemption fund, and paying the tax exacted by law. Such notes are the bank's obligation and not public funds belonging to the people. When the Secretary of the Treasury sent \$40,000,000 of emergency bank notes to New York he at the same time sent \$68,000,000 to southern banks; and southern banks, if they will apply for it, may quickly obtain \$150,000,000 more of the same sort of currency that was sent to the New York banks. Indeed, the pending bill, consideration of which has been too long delayed by obstructive tactics, is expressly intended to make it easier for



southern and western banks to obtain these emergency bank notes on commercial paper as security.

Mr. BYRNES of South Carolina. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Virginia yield to the gentleman from South Carolina?

Mr. GLASS. I can not yield; my time is nearly expired.

Mr. BYRNES of South Carolina. I wanted to ask him if Mr. Cortelyou did not make that deposit of \$42,000,000?

The SPEAKER. The gentleman declines to yield.

#### AN UNPRECEDENTED PROPOSAL.

Mr. GLASS. Mr. Speaker, answering my friend from South Carolina, I will say the Secretary of the Treasury, under the discretion which the law permits, has repeatedly deposited large amounts of Government funds in New York banks, as he has in other banks, at the required rate of interest, and subject to instant recall at any time. That is no unusual transaction. That is business prudence; but, Mr. Speaker, there is no case on record where the Secretary of the Treasury has issued bonds of the Government, thus taxing all the people to create a special fund, not for use of the Government, but for the purpose of depositing it in the banks of a given section of the country. [Applause.]

When public funds derived from taxes levied on the people accumulate in the vaults at the Treasury the fixed fiscal policy is to deposit these funds in national banks throughout the country at a specified rate of interest. The banks loan these funds, precisely as they loan their other deposits, to their customers, and thus the public funds are put back into the channels of trade until called in by the Treasury to defray the expenses of the Government. In making Government deposits the Treasury Department is given a wide discretion. It may be that deposits have not invariably been equitably made as required by law. It may be that, at times, deposits have been unwisely made. There have been criticisms of deposits made in New York with the expectation that they would enable the banks to allay or frustrate threatened panics. There have been criticisms of deposits made in the South and West to aid in "moving the crops."

But, Mr. Speaker, let us bear in mind that these deposits, wherever made or for whatever apparent purpose, were merely accumulated public funds, put in Government depositories at interest in the ordinary process of business, to be withdrawn at any moment the Government should have need. There is not attached to these deposits any condition that they shall or shall not be loaned by the banks to anybody or any business concern, or any class of persons. The banks may themselves determine to whom these public funds will be loaned, at what rate of discount, upon what nature of collateral, and for what length of time. Why should it not be so? The banks are responsible to the Government for the return of these public funds on call. They give bond for their security, pay interest on the deposits, and, without charge, act as fiscal agents of the Government.

#### TAXING ALL THE PEOPLE FOR A SINGLE CLASS.

How vastly different is this transaction from that proposed by the amendment to this bill! There is not one particle of analogy; not the remotest resemblance. It is not provided by this amendment that public funds already derived from taxation shall be deposited equitably in the banks of the various States, at interest and subject to call, to be loaned to business men generally, or upon agricultural products without discrimination, or in commercial or industrial transactions without partiality, at the option of the banks receiving the deposits and upon security satisfactory to the banks holding the deposits. Not at all. None of these things is provided. The accumulated Government funds amounting to \$74,000,000 are already deposited with the banks, \$27,000,000 in southern banks.

#### THE GOVERNMENT LACKS FUNDS.

Beyond this \$74,000,000 now on deposit with banks throughout the country the Government has no public funds which it may conveniently deposit with banks to be loaned to the cotton or tobacco growers, or to anybody. So far from it, the Government, owing to falling customs revenues, is actually in need of funds to defray its own expenses. That is precisely why the President came to Congress not long ago and recommended that \$100,000,000 be raised by taxing the people. That is exactly why Congress is at this moment engaged in passing a tax bill. That is the reason that loud protests are heard from all sections of the country against raising even \$100,000,000 of revenue urgently required to pay the running expenses of the Government itself. This outcry which we hear is against raising \$100,000,000 which the Government directly needs. How swift would be our condemnation should we further tax the people to raise \$250,000,000 more than the Government does not need!

I experience no difficulty, Mr. Speaker, in detecting a wide difference between this ordinary fiscal policy of the Government in thus depositing in banks, at interest, its momentarily idle funds, raised and held to pay the Government's current expenses, and this other proposed congressional policy of taxing the American people for the avowed purpose of raising an enormous fund, not needed by the Government nor to be used for the Government, but to be put in banks subject to the credit demands of a single class of citizens, to assure a profitable price for a certain product.

If, instead of \$74,000,000 of temporarily idle funds now on deposit in banks at interest and subject to instant call, the Government had an additional \$250,000,000, raised for legitimate expenses of Government and awaiting use for such purpose, the Secretary of the Treasury might be justified in stretching his discretionary power under the law to the extent of depositing a major part of such funds in banks of the South, at interest and on call, to relieve a situation fraught with immediate distress to that section and ultimate disturbance of business in the entire country. But the Government has no such idle fund; for its own purposes the Government does not need any such fund, and Congress has no right to tax the people in order to obtain it.

#### A MARKET, NOT CURRENCY, NEEDED.

I can not too often emphasize the fact that nothing like this was ever done by the Government or ever should be undertaken. It is the rankest kind of paternalism; and, even should we attempt it, the scheme could never be consummated. What the cotton grower and tobacco planter need, Mr. Speaker, is a market for their product and not additional currency facilities. Yet this amendment is merely another currency scheme. As I have repeatedly said, southern banks have in hand, or can easily obtain, millions of additional currency. There is no lack of currency. What the cotton growers and tobacco planters require is credit pending a readjustment of market conditions in order that they may not be forced to sacrifice their product by selling at ruinous prices. This fact was cogently presented at the hearing on the Henry bill by Mr. A. F. Thomas, of Virginia, who broadly declared that there was no lack of funds, but a lack of market; yet there is not a line in this Hardwick-Henry amendment that would compel the banks receiving the Government deposits to extend credit to the cotton growers or tobacco planters of the South until they can get a market for their products—the very thing they most need.

#### AN IMPRACTICABLE SCHEME.

Under this amendment, if passed, not a dollar of this currency would ever get in circulation. Could it be expected that banks, State or National, would constitute themselves agencies for the receipt of Government funds to be loaned in competition with themselves, at 2 per cent net profit, when these same banks are deriving from 6 to 10 per cent net profit from loaning their own available funds? There is not a sane banker, as I view it, who would accept these deposits on the terms prescribed in this amendment. But suppose the Government were to issue \$250,000,000 of Panama bonds at 4 per cent, do you imagine that the shrewd bankers of the East, or of any section, would take out of their current funds \$250,000,000 of gold to engage in a 4 per cent investment when they are now loaning that money out at 6 per cent on call and 8 per cent upon quick-time commercial paper? It would never be done on earth. The bonds could not at this time for this purpose be sold. But assume that they could. Argue that thrifty, acquisitive bankers would be unbusinesslike and unwise enough to engage in a transaction of that sort. What would it mean for the country? It would mean taking \$250,000,000 of gold—reserve money—out of the banks, thereby contracting the commercial credits of the country nearly \$1,000,000,000.

Would that help the general situation? Would it improve conditions in the South? Suppose southern banks should buy the \$250,000,000 of bonds. What would that mean? It would mean that they would have to call in nearly a billion dollars of their commercial credits, their outstanding loans of to-day; so that if we were to be unsound enough to take this Hardwick-Henry amendment as a cure of the unhappy situation it not only would not relieve conditions, but would intensify the prevailing distress.

#### THE SOUTH NOT FOR IT.

Mr. Speaker, I deny the repeated assertion that "thirty millions of southern people" are demanding this utterly unsound and, as I conceive, dangerous scheme. If that were true, is it not rather singular that the chairman of the Committee on Banking and Currency of the House of Representatives has not received a telegram or a letter from a National or a State bank in all the South asking that this sort of legislation be embarked upon?



Mr. HUMPHREYS of Mississippi. Mr. Speaker, will the gentleman yield for a question?

The SPEAKER. Does the gentleman yield?

Mr. GLASS. Yes; I will yield for a question.

Mr. HUMPHREYS of Mississippi. How long, if the gentleman can state, would it require the Bureau of Engraving and Printing to print these notes?

Mr. GLASS. I am coming to that. I was at the Treasury Department this morning and, upon information derived from trusted and experienced public officials, am prepared to assert that, should we adopt this amendment, conceding it to be a sound measure, embracing in its provisions genuine aid for the distressed cotton planters and tobacco growers of the South, it would take longer to engrave and print the bonds or notes, to sell the bonds, to organize the mechanism for the deposit requirements under such rules and regulations as a judicious Secretary of the Treasury might put in force than will be required to fully organize the Federal reserve banking system, under which the planters may obtain a greater abundance of currency, larger and more extended credit facilities, without endangering the financial fabric of the country. [Applause.]

#### NO DEMAND FOR UNIQUE SCHEMES.

Mr. Speaker, when the Federal reserve bill was pending before the Banking and Currency Committee of the House I received thousands of letters from all parts of the country favoring or opposing various features of the measure. These letters came from all classes of citizens. When the rural credits matter was being considered by the committee hundreds of letters poured in, making suggestions or voicing criticisms. But I repeat to the House the very significant fact that not a single bank in the South, National or State, so far as I have personal knowledge, has asked for this sort of legislation, which gentlemen insist is demanded in behalf of 30,000,000 people.

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. BARTLETT. Mr. Speaker—

Mr. MANN. Read the bill.

Mr. GLASS. Mr. Speaker, I ask leave to revise and extend my remarks in the Record.

The SPEAKER. The gentleman from Virginia [Mr. GLASS] asks unanimous consent to extend his remarks and revise them in the Record. Is there objection?

There was no objection.

The SPEAKER. The Chair thinks the gentleman from Georgia [Mr. HARDWICK] ought to be recognized. He is the proponent of this measure.

Mr. MANN. The bill has not been read.

The SPEAKER. That is what they are starting in to do.

Mr. MANN. They have not started yet. Nobody has been recognized yet.

The SPEAKER. The Clerk will read the bill.

The Clerk read as follows:

*Be it enacted, etc.,* That section 1 of an act approved May 30, 1908, entitled "An act to amend the national banking laws," as heretofore amended in an act approved August 4, 1914, is hereby further amended so that the words "that no national banking association shall be authorized in any event to issue circulating notes based on commercial paper in excess of 30 per cent of its unimpaired capital and surplus" is amended to read as follows: "That no national banking association shall be authorized in any event to issue circulating notes based on commercial paper in excess of 75 per cent of its unimpaired capital and surplus."

Sec. 2. That the provisions and benefits of the act approved May 30, 1908, known as the Vreeland-Aldrich Act, and the amendments thereto, are hereby extended to all State banks and trust companies having a capital stock of not less than \$25,000 and a surplus of 20 per cent. Said banks and trust companies shall be required to pay upon notes so issued the tax provided for in said act as amended, and said notes shall not be subject to the provisions of the act of Congress approved February 8, 1875, entitled "An act to amend existing customs and internal-revenue laws, and for other purposes." The Secretary of the Treasury is hereby directed to make such rules and regulations as are necessary for the purpose of carrying out the foregoing provision.

With the following committee amendments:

Amend, page 2, lines 4 and 5, by striking out the word "seventy-five" and inserting in lieu thereof the words "one hundred."

Amend, page 2, by striking out section 2, embracing lines 2 to 21, inclusive, and inserting in lieu thereof the following:

"Sec. 2. That the provisions of section 5202, Revised Statutes, shall not apply to contingent liabilities incurred by national banking associations by reason of membership in currency associations organized under the provisions of the act of May 30, 1908, as amended."

Mr. MANN. Mr. Speaker, I reserve a point of order upon the last committee amendment.

The SPEAKER. What is the point of order?

Mr. MANN. The point of order is that the last committee amendment is not germane to the bill.

The SPEAKER. The rule provides that it shall be in order for the House to consider—

Mr. MANN. I am not referring to the amendment offered by the gentleman from Georgia. I am talking about the amend-

ment reported by the Committee on Banking and Currency, which has just been reported to the House.

Mr. BULKLEY. Which amendment?

Mr. MANN. Section 2. What is the purpose of that?

Mr. BULKLEY. The purpose of it is to permit the banks, on joining these currency associations, to incur the contingent liability without coming within the inhibition of section 5202.

Mr. MANN. That does not mean anything to me yet.

Mr. BULKLEY. What is it that the gentleman does not understand? Shall I read section 5202?

Mr. MANN. I do not remember whether I looked this up or not.

Mr. BULKLEY. Section 5202 of the Revised Statutes provides:

SEC. 5202. No association shall at any time be indebted, or in any way liable, to an amount exceeding the amount of its capital stock at such time actually paid in and remaining undiminished, by losses or otherwise, except on account of demands of the nature following:

First. Notes of circulation.

Second. Moneys deposited with or collected by the association.

Third. Bills of exchange or drafts drawn against money actually on deposit to the credit of the association or due thereto.

Fourth. Liabilities to the stockholders of the association for dividends and reserved profits.

To that we have added by the Federal reserve act—

Mr. MANN. I recall the matter now.

Mr. BULKLEY. The situation is that when national banks join a currency association under the provisions of the Aldrich-Vreeland Act they are required to assume a liability for all notes issued to that association.

Mr. MANN. I withdraw the point of order, Mr. Speaker.

The SPEAKER. The gentleman withdraws the point of order.

Mr. MANN. In the end the title of the bill will need to be amended. You have not proposed to amend the title.

Mr. BULKLEY. I should have no objection to amending the title. A parliamentary inquiry, Mr. Speaker. Is it in order to vote on the committee amendments before debate on the other amendments?

The SPEAKER. The Chair is inclined to think so.

Mr. MANN. Oh, yes; the committee amendments are now before the House.

Mr. BULKLEY. Then I ask for a vote on the committee amendments.

The SPEAKER. The question is on the first committee amendment.

The question being taken, the Speaker announced that the yeas appeared to have it.

Mr. BULKLEY. Division, Mr. Speaker.

Mr. EDWARDS. Mr. Speaker, I ask unanimous consent that the first committee amendment be read. A good many of us do not recognize it by that designation.

The SPEAKER. The Clerk will report the first committee amendment if there be no objection.

The Clerk read as follows:

On page 2, in lines 4 and 5, strike out "seventy-five" and insert "one hundred."

The question being taken, the Speaker announced that the yeas appeared to have it.

Mr. MANN. I ask for a division. We had a division started once before.

The House divided; and there were—yeas 63, noes 40.

Accordingly the amendment was agreed to.

The SPEAKER. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 2, strike out section 2, from lines 7 to 21, inclusive.

The SPEAKER. The new section 2 is printed in italics as an amendment. The Clerk will report it.

The Clerk read as follows:

Insert as a new section:

"Sec. 2. That the provisions of section 5202, Revised Statutes, shall not apply to contingent liabilities incurred by national banking associations by reason of membership in currency associations organized under the provisions of the act of May 30, 1908, as amended."

The SPEAKER. The question is on agreeing to this amendment.

The amendment was agreed to.

The SPEAKER. The gentleman from Georgia [Mr. HARDWICK] is recognized.

Mr. HARDWICK. Mr. Speaker, I measure my words, and I believe I understate rather than overstate the case, when I say to the House that the South at this moment faces the most critical period in her economic history since the late Civil War ended.

Consider, gentlemen, for just a moment the situation that confronts us. This year we have produced a large crop of cotton,



probably 15,000,000 bales, yet even this large crop seemed hardly large enough under normal conditions to supply a rapidly increasing consumption that year after year demanded more and more of this staple.

Into the making of this crop the South has poured practically all of her liquid assets and has borrowed large sums of money, to be repaid when it was sold. Its production represents the huge outlay of \$800,000,000, and throughout the great southern section of our country credits were universally extended and adjusted on the basis of its easy and prompt convertibility into cash at a price that represented a reasonable profit above its cost of production. More than that, in order to produce it the South bought largely, and on credit, from other sections of the country—mules and horses, corn and meat from the West, money from New York and the East, and every kind and variety of merchandise and manufactured product from every section of the country.

The time for paying these debts and for realizing on this crop was at hand, when suddenly, like a bolt of lightning from a clear sky, this tremendous war in Europe broke out, stopping the commerce, disarranging the exchanges, and disjoining the finances of the world.

To disturbances of this kind and from this quarter cotton is peculiarly amenable, because 60 per cent of it is exported for foreign manufacture. In 1913 Germany consumed 1,256,000 bales of our cotton; France, 786,000 bales; Belgium, 171,000 bales; and Austria-Hungary, 626,000 bales. These countries, with the total consumption in 1913 of nearly 4,000,000 bales and an expected consumption in 1914 of fully 4,500,000 bales, were eliminated for the time being as consumers of our cotton. Also, in England, which had in 1913 consumed 3,281,000 bales of our cotton and was expected to consume almost if not fully 4,000,000 bales in 1914, soon developed into an indifferent customer, taking only small amounts of our cotton—practically none in proportion to the real needs of her commerce and to the actual requirements of her mills. Of course, to some extent the English attitude may be attributed to the war; but the real key to that attitude was candidly and accurately expressed in a recent interview to the *Washington Post* by Sir George Paish, an agent of the British exchequer, sent to this country to consult our Government upon the trade and fiscal affairs of the two countries, who said that English spinners are not taking cotton because they were not sure it had arrived "at a bottom price."

Nor has the same motive failed to control and affect the attitude of our American spinners. With the large crop made and with more than 4,000,000 bales of the expected demand for it practically eliminated from the market, spinners everywhere seem to have adopted a policy of "watchful waiting" for cotton to reach "a bottom price."

In the meantime the cotton producer, anxious to meet his obligations, has found the market—where he could find one at all—that was constantly and rapidly declining, and the price steadily growing lower and lower, until to-day he can hardly get 6 cents for his cotton the South over.

This is fully 4 cents per pound under its cost of production, and if it be accepted it means that the year's work of the farmer shall be entirely without compensation, and that he shall also lose \$20 per bale on every bale of cotton that he has produced. This means a loss in the State of Georgia alone of between fifty and sixty millions of dollars, and a loss in the entire South of fully \$300,000,000, besides a loss of a profit that we had every reason to figure at fully \$200,000,000 above the cost of producing the crop; in other words, it means a total loss to the South of the enormous sum of fully \$500,000,000. More than that, there is not only a possibility but a probability that the price may sink still lower and the loss be still greater unless prompt and adequate relief be afforded by some agency powerful enough to cope with the situation.

Mr. Speaker, I can not believe that the Members of the House from States and sections that do not produce cotton can fully comprehend the gravity of the situation. I do not believe that they realize the full extent of the danger that now confronts us and will in the end touch them. If they understood it fully, or if we could possibly make them understand it fully, I can not but believe that self-interest, to say nothing of generous impulses, would prompt them to aid us in the solution of this great problem, that is not sectional, although its present location is in the South, but is thoroughly national in its character, and will be Nation wide in its ultimate and terrific effects unless the dangers that confront us can be met and sane aid of some character can be extended.

Do we owe debts to Great Britain and European countries that must be paid? And does the bare fear that gold may be demanded for these debts and sought, at any price, for American stocks and bonds held in foreign lands terrify our financiers

and close our stock exchanges? If so, can we discharge more or less of those debts and buy more or less of those stocks and bonds by selling to Great Britain and other foreign countries 10,000,000 bales of cotton at 12 cents a pound or by selling them 10,000,000 bales of cotton at 6 cents per pound? Can agriculture languish and fall at the South, demoralizing and crippling every form of southern industry and commerce, and leave the other parts of this country, from which the South buys liberally and to which it owes largely, untouched and uninjured? If so, new principles in economics will be established and old doctrines discarded. Sir, if the South be ruined or crippled, you may rest assured that the balance of the Republic can not and will not go unscathed. Our peril is your peril and our danger is your danger. True, our people may be the first victims from such a catastrophe, but in the end the entire country must and will suffer unless a remedy be devised and applied.

Mr. Speaker, the people whom I represent on this floor are a brave and self-reliant people; they are proud and self-respecting; they are devoted to principle, and because of their devotion to it they have once already in the history of this country walked through the valley of the shadow of death and drunk of the very dregs of the cup of despair. Even in this hour of trouble and distress they do not, if I understand them aright and represent them correctly, come to you asking alms or beseeching charity. They are not asking you to tread in new and untried paths or to embark on new and dangerous experiments in government in order to relieve their distress.

As I endeavored to point out to you on yesterday, when I closed the debate in favor of the special rule which provides for a consideration of this bill and amendment, the proposition that we present is not in any important particular either new in theory or untried in practice. So far as those provisions of the amendment that direct the Secretary of the Treasury to deposit \$250,000,000 of the public funds in the National and State banks of this distressed portion of our country in order to relieve the needs of these farmers is concerned, the proposition is not novel in theory or new in practice, for we have repeatedly done just that without the sanction of statute law but by Treasury policy alone. I called attention on yesterday to the relief of that character that had been afforded the banks of New York during the panic of 1907 by the Roosevelt administration. To some extent I believe the gentleman from Virginia [Mr. GLASS] takes issue with me as to exactly what the Roosevelt administration did to aid the banks of New York in bringing that panic to an end. However much I regret to take issue with my friend from Virginia on a question of fact, yet I must again assert that the panic of 1907 was practically ended by the policy of the Roosevelt administration in depositing public funds in the New York banks. I call the attention of the gentleman from Virginia and the country to the sworn testimony of Mr. Cortelyou, who was Secretary of the Treasury in 1907, delivered during the Money Trust investigation of 1912 before the gentleman's own committee—Banking and Currency. Mr. Cortelyou stated that at one time during the panic of 1907 the Treasury deposited more than \$40,000,000 of the public funds in the New York banks on the express condition that it should be used in certain ways, and that at least \$10,000,000 of it should be advanced by them to certain trust companies of New York that were on the brink of ruin and were not national depositories at all.

The gentleman from Virginia [Mr. GLASS] on yesterday complained that I had not correctly quoted or had misinterpreted the recent speech of the Comptroller of the Currency, Mr. Williams, at Cincinnati, in which speech Mr. Williams described in detail the aid that was hurried, even in advance of consultation with them, to the New York banks on August 2 of the present year. I certainly did not quote Mr. Williams's speech inaccurately, for I quoted his exact words and put them in the Record. I must confess that the only inference I could draw from the language employed by the Comptroller of the Currency was that the money "expressed" to New York was funds of the Government, and not emergency currency, especially since the visit of Secretary McAdoo to New York was made on August 2, two days before the passage of the act of August 4, amending and vitalizing the Vreeland-Aldrich bill.

Mr. Speaker, I challenge the gentleman from Virginia [Mr. GLASS], now or later, here or elsewhere, to deny another proposition I advanced on yesterday—that not 60 days ago the Treasury deposited in the National Park Bank, of New York, \$400,000 and agreed, in substance and effect, to allow a previous deposit of \$1,000,000 that had been made in that bank to remain there on condition that the National Park Bank would fund a loan for the State of Tennessee of \$1,400,000.

I think I might cite one more instance of this kind, a recent one and one that occurred in the city of Washington. Early



in the present administration, when the apparently imminent failure of the United States Trust Co. seemed to threaten the stability of banking conditions in Washington, the good offices of the Treasury were employed, if we may believe the current reports, through the deposits of the public moneys in depositories of the United States in Washington, on condition that local banking arrangements should be made to assist the Munsey Trust Co. in taking over the affairs of the United States Trust Co.

I do not wish, however, to be misunderstood, either by the House or the country, on this question. I am neither criticizing this administration nor that of Mr. Roosevelt's for making these deposits. They were probably necessary, as they were certainly efficient, in averting serious and ruinous panics in one or more instances at least.

Ever since this Government abandoned the Independent Treasury system it has always, in making deposits of the public funds, regardless of what party was in control, made such deposits in such localities and in such banks at such times and even on such terms and conditions as, in the opinion of the Treasury, would best promote the proper flow of commerce, the necessary equilibrium of the currency, and the easy transaction of the business of the country. In this way crop-moving and panic-preventing loans have been made, and not infrequently, as I have endeavored to point out, on conditions that were expressed or implied and on contracts that were strictly enforced by the Treasury. In most instances, at least, this policy has been most necessary and wise, its employment being dictated by the most unselfish motives of public interest and without the slightest suspicion of incorrect act or improper motive. Still the fact remains that ever since we left the Independent Treasury system we have adopted and followed this policy, and have not hesitated to make and shift deposits of public funds in such way as to avert panic and ruin, loss and inconvenience, whenever it threatened the commerce or industry of any city, State, or section of this great country.

True, these deposits have always been made, whether conditional or unconditional, by the Secretary of the Treasury, according to his view of the situation, and where conditions have been imposed these conditions, in like manner, have been made by Treasury policy rather than by the mandate of the Congress, but surely, gentlemen, the climax of bureaucracy has been reached if the contention is to be seriously advanced that the Congress of the United States, elected by the people, has not a far greater right to formulate this policy of the Government and to determine how and when and for what purpose the deposits of the public funds shall be made than has a mere bureau or department of the executive branch of the Government. I earnestly protest against the manifest injustice of attempting to label the proponents of this measure as "unsafe" or "radical" when we propose in this amendment no more than what the opponents of this amendment hail as wise and sound when the same thing is done by departmental policy, without the sanction of law.

Our first proposition, then, in this amendment is that by law we shall direct the Secretary of the Treasury to deposit \$250,000,000 of the public funds in the National and State banks of the cotton and tobacco producing sections of this country, on condition that these banks shall loan these funds on reasonable terms, to be controlled by the Treasury Department, to the distressed producers of cotton and tobacco. The provision is further made that these deposits are not to be withdrawn from the banks in which they are made prior to December 31, 1915.

But, we are asked, where will you obtain the money with which to make these deposits? It seems to me that we provide a reasonable and safe way of doing so. We propose to issue for this purpose \$250,000,000 of United States notes with all the legal qualities of the outstanding notes of the United States. If the objection be made that this is a step toward greenbackism, or that it smacks of that system, our answer is twofold. In the first place, we say that since this great world-wide war has swept most of the powerful European nations from a gold basis to a paper basis and is destined, if it continues long, to force them all upon a paper basis for many years to come, that it will probably be a most difficult undertaking to maintain this country upon a gold basis, with all the nations of the world using every endeavor to deplete our gold reserves; and that the exigencies of an international situation that we did not create and can not control may at any moment force us to somewhat relax the rigidity of our gold position. Already we have been forced to close our stock exchanges, so that American stocks and bonds held in foreign lands may not be dumped upon the market, demoralizing values and draining the country of its last penny of gold. Cotton has for many decades been largely instrumental in keeping our gold reserves intact and in bringing foreign gold to our shores. If it is to permanently lose its power

to accomplish this great function, we may be utterly unable to maintain our present gold standard with the balance of the world upon a paper basis. But we do not care to forestall that question, nor do we unnecessarily rush to meet it. So far as the amendment we present is concerned, the issue is not raised, for while we propose to issue paper money, it is not irredeemable paper money, but, on the contrary, is to be redeemed in gold coin or its equivalent on January 1, 1916.

We are asked how will the Treasury then redeem these notes? We reply that the Secretary of the Treasury may call in every dollar of the deposits we propose and require the payment of the last penny of them at the Treasury in Washington on the 31st day of December, 1915, the day before the law requires the Treasury to redeem these notes. He will have every dollar of it in hand before the time to pay the notes shall come. It is true that the banks may not pay these deposits in actual gold or in gold certificates, but it must not be forgotten that they did not get actual gold or gold certificates when they received these deposits, and that if they repay them in any form of lawful money of the United States, as they must, then the transaction does not involve a single ounce of additional burden on the gold reserve or one single additional obligation on the Treasury, which, under its policy, is already pledged to the redemption of every form of outstanding currency in gold.

To secure the repayment of these deposits the Treasury Department would have not only the staple agricultural products that are pledged as security for the loans, but also the credit of each and every bank in which the deposits are made, with all the priority of liens established by law in favor of the United States upon all the assets of its depositories.

The notes of the United States so issued would bear 2 per cent interest from date. This is to compensate the holders of them for the inability to have them redeemed in gold prior to January 1, 1916, and this interest in turn will be made up to the Government by the 2 per cent interest each of its depositories must pay.

The banks in the South obtaining this money at the rate of 2 per cent per annum interest would be able to loan money to the producers of cotton at a lower rate of interest for any period of time up to 12 months upon their cotton as security, at a reasonable market valuation thereof. My judgment is the banks could make these loans at rates that might vary from 4 to 6 per cent per annum. This would enable the producer of cotton to hold his crop for a full year, if necessary, and this, in turn, would steady the market. By the early spring of 1915 the crop of 1915 will have been planted, and if it is curtailed to at least one-half of the production of this year, as I firmly believe both common sense and financial necessity will require and enforce, then I am confident that the price of cotton will then instantly and materially increase, and all who have been able to hold it up to that time will realize on it at a figure which at least equals the cost of its production, or possibly at a small profit.

The amendment I propose would, in my judgment, Mr. Speaker, accomplish these results. It would mean relief and safety to 30,000,000 people who are now threatened with want and ruin; it would mean prosperity and happiness, sir, to a great section of our common country.

The situation in which we find ourselves, gentlemen, is in no manner the result of our fault, of our mistakes, or of our lack of caution; it comes from causes to which we did not contribute, from circumstances that we can not control, and from conditions that we could not foresee when we planted this crop. While we do not ask the largess of the Government or charity of any man, we do ask and we do demand that, so far as governmental policies may be shaped to aid us or may be framed to permit us to aid ourselves, they shall be so shaped and so framed, and that at least you shall grant to us by statute that kind and character of aid that this Government has so freely given, even without the sanction of statute, to other sections and to other industries and to other businesses of our common country when they were in sore distress as we are to-day. The deposits of Government funds have always been made to safeguard and promote the great business and commercial interests of this country, and we insist that in this hour of trouble at least that much be done for the South.

Mr. Speaker, the plea we present to-day is not one for mercy, but one for justice. Our demand is not that special privileges be accorded to us or to our people, but that equal treatment and equal rights be given to them and to us with what has already been given to other interests and to other sections.

Mr. GLASS. Mr. Speaker, I move to strike out the last word. When I concluded my remarks a while ago, under general debate, I was citing to the House the fact that not a single bank in the South, National or State, as far as I have personal knowledge, has asked for this sort of legislation.



Mr. MURRAY. Mr. Speaker, will the gentleman permit me to produce one?

Mr. GLASS. Yes.

Mr. MURRAY. Here is a telegram, which I will read, which came to me this morning.

Mr. McKELLAR. And I have a number of such others.

Mr. MURRAY. That telegram reads as follows:

HOLDENVILLE, OKLA., October 20, 1914.

Hon. WM. H. MURRAY, Washington, D. C.:

We are for the Henry measure. Stay with him until the South can get relief of some kind, if possible.

AMERICAN NATIONAL BANK.  
STATE NATIONAL BANK.  
FIRST NATIONAL BANK.  
FARMERS' STATE BANK.

Mr. GLASS. But the amendment under consideration is not anything like the Henry bill referred to in your telegram. The Henry measure proposes valorization of cotton—a fixed price for a single commodity at a specified rate of interest for the loan, with no responsibility on the banks and the ultimate risk with the Government, which means with the people, who own the Government—while this measure proposes to put the Government in debt to the extent of \$250,000,000 for currency that is not required in the South; and, if required, could not as quickly be obtained as Federal reserve notes under the Federal reserve act. This currency is to be deposited in the banks on condition that the banks loan it to certain people, the banks being held responsible for its return to the Government. This is not the Henry bill, but a distinctly different proposition.

Mr. HENRY. Why do you not vote for this, then?

Mr. GLASS. I do not vote for everything that my friend from Texas does not offer. Other people can offer unsound things as well as the gentleman from Texas, and this is one of them. [Laughter.]

This amendment is utterly unlike any one of the seven or eight bills introduced by the gentleman from Texas. This is in fact a proposal to raise revenue by taxation and to deposit it in certain banks for certain specified purposes, upon certain terms. The Henry bills, especially H. R. 18916, to which the Oklahoma telegram evidently refers, is a proposition for the Government to guarantee the cotton crop, at a minimum price per pound, to the total extent of \$500,000,000, with no ultimate responsibility attaching to the banks dispensing the funds as loans to the planters. That bill is not here. It was almost unanimously rejected by the Banking and Currency Committee. No bill akin to it has ever been reported to the House. The gentleman from Texas [Mr. HENRY] was unable to get his own Committee on Rules, of which he is the distinguished chairman, to report a rule even for consideration of H. R. 19203, indorsed by the farmers' unions and by a conference of certain southern Members of the House. This is the Hardwick proposition, vastly less objectionable, I grant, than any of the other measures referred to and vastly less unique and dangerous as a precedent.

#### AN ALLEGED PRECEDENT.

Nevertheless, not only is it true, as I have stated, that no State or National bank in the South, as far as I can tell, favors this expedient, but it likewise is true that there is no precedent for the proposal. Statements to the contrary are based upon a failure to discriminate. The Comptroller of the Currency, as has been shown, states that the currency recently shipped by the Secretary of the Treasury to New York was not "the people's money." It was not money at all. It was \$40,000,000 of Vreeland-Aldrich currency, for the use of which the New York banks had to pay a Government tax and against the redemption of which they had to provide a gold reserve. It was the same kind of currency that Texas banks or any national bank in the United States may get by applying for it under the law. Wherever Government deposits have been made they have been made in due process of business. They have been from current funds already on hand. Rather than keep them impounded in the Treasury or the subtreasury, idle and serving no good purpose, the Secretary of the Treasury, within the discretion allowed him by law, has simply deposited these funds at interest and on call, not to maintain the price of a single commodity nor for the benefit of a single section or class of people, but for the general commercial and financial interests of the whole country. Such deposits have never been made under a stipulation that the funds should be loaned to a particular class of citizens or for the advantage of a single industry or under a stipulation that the funds thus deposited should be loaned by the banks at a specified rate of interest, abnormally low.

Mr. HARDWICK. Mr. Speaker, will the gentleman yield?

Mr. GLASS. No; I have not the time to yield. It has been alleged that in the Roosevelt administration \$150,000,000 of bonds and three-year certificates were sold "for the purpose

of depositing the funds in the banks of Wall Street, to help the stock gamblers of that community." Nothing of the sort ever was done. Under Roosevelt's administration, in November, 1907, the President directed Secretary Cortelyou to issue \$50,000,000 of Panama bonds and \$100,000,000 of three-year certificates, a total of \$150,000,000 of Government obligations for the avowed purpose, as set forth in the Treasury circular, of "meeting public expenditures without withdrawing for that purpose any appreciable amount of the public moneys now deposited in national banks throughout the country." The public funds so deposited amounted to \$240,156,441.85, and were being used by the banks to "help move the crops"—the same purpose for which \$74,000,000 of public funds are now deposited in banks throughout the country, \$27,000,000 in southern banks. President Roosevelt simply did the thing that President Wilson proposed to this Congress, but in a little different way. President Wilson proposed to raise the money by direct taxation rather than by the issuance of bonds. In substance the two things are alike. President Roosevelt stated that the proceeds of his sale of bonds and certificates were to be used to meet current expenditures, to preserve the finances of the Government, and to avoid contraction of credits by withdrawal of funds already on deposit then being used—for what purpose? To hold crops? No; to "move crops." The efficiency of the method employed by President Wilson over that used by President Roosevelt may be understood when it is stated that the latter could sell but \$15,000,000 of his bonds and but \$20,000,000 of his certificates, a total of \$35,000,000 out of the proposed aggregate of \$150,000,000, whereas President Wilson is very apt to raise \$110,000,000 by the method of direct taxation.

#### DENOUNCED BY PARTY PLATFORMS.

But, Mr. Speaker, let us admit that President Roosevelt and his Secretary of the Treasury actually deposited large sums of Government funds in New York City banks under agreement that it was to be used to "help out stock-gambling operations" rather than to arrest the ravages of a panic which threatened to engulf the Nation; and let us go further and concede that the public funds thus used were not raised in the ordinary process of taxation for Government purposes—which they distinctly were—but were raised by taxing the people for the especial advantage of Wall Street stock gamblers. What subsequently happened? Why, the Democratic Party, in two national platforms, bitterly reprehended the transaction and explicitly asserted that it should never be undertaken again. Democratic campaign speakers severely denounced it from every rostrum in the country as a vicious perversion of the proper functions of government.

The gentleman from Texas [Mr. HENRY] himself made this, among other transactions, the basis of his "money-trust" resolutions, subsequently denouncing it as a desperate use of "the people's money to affect the prices of staple products," as a corrupt and shameless "tapping of the Federal Treasury by the banks," and an illegitimate withdrawal of public funds from the uses for which they were raised. Shall we now proceed, Mr. Speaker, to do, in principle, precisely the thing, in an exceedingly accentuated form, that the Democratic Party denounced and that the gentleman from Texas [Mr. HENRY] vehemently decried? Has the gentleman so soon recovered from his passionate indignation? The Republican administration, in what it did, used idle public funds raised for Government requirements, but for which the Government at that moment had no need. Shall this Democratic administration take us even beyond this alleged Wall Street adventure by levying taxes on the people for the previously avowed purpose of putting the proceeds in the banks for the exclusive benefit of a particular class?

Does it help the affair to say the beneficiaries are from the South? Does it help to say the favored class is of the farming community? Once embark on this legislative policy and next time the suppliants will press Congress from every section where temporary distress happens to prevail. Next time the privileged class may be the stock gamblers again!—and next the copper or coal or zinc miners; then the grain growers and the orchardists, the railroads and the manufacturers, the thousands of the industrial idle, made so by paralysis of trade or by prolonged labor warfare. Once begun there is no end to this extraordinary and dangerous expedient of using the taxing power of Government to help depressed interests. It is a prelude to inestimable disaster.

#### SOUTHERN SELF-RELIANCE.

I wish I could think that I am mistaken. It is not agreeable to be so utterly out of accord with those of my southern colleagues, who are convinced that make-shift legislation of this unusual description is a remedy for threatened industrial dis-



truss in our section. But I was never surer of anything in my life, Mr. Speaker, than of the fact that to adopt this extraordinary scheme would inevitably prove a plague to those whom it is designed to benefit and a curse to the whole country. Moreover, I think gentlemen are, unwillingly I am sure, misinterpreting the temper and underrating the intelligence of the southern planters. I have here a typical letter from among those received by me bearing on this subject. It is from a North Carolinian.

RAYNHAM, N. C., October 16, 1914.

HON. CARTER GLASS,  
Chairman Banking and Currency Committee,  
Washington, D. C.

DEAR SIR: As a man, directly concerned, allow me to commend your course in regard to the effort in behalf of the cotton growers of the South for aid from the Government. My home is deeply within the cotton belt, and my sole means of livelihood is derived from a farm located in a county which is classed as the leading cotton county of North Carolina. Like to most others, the low price for cotton is an especially hard blow to me this year, all the more from the fact that the seasons of last year were quite unfavorable in our section. But rather than see enacted the "relief" measures proposed by some of our Members of Congress, I had rather bide my time without selling a pound of tobacco, even if it means the sacrifice of a part of my land.

In making these demands for Government aid, not a few people seem to forget what is the province of political power. My conception may be crude, but it seems to me that a Government should regard the Nation as a unit in regulating the relations of its citizens to each other, and that when this is done, without partiality or usurpation, it serves its purpose well. However hard the condition of southern farmers, to pass an act for a special class would, I fear, establish a precedent which would not be long in making us sufferers from calamities which are not now ours. Within the short period since the Democratic Party came into power it has put on the statute books a series of reform measures rarely paralleled in the history of any country. We modestly ask, Shall it close this memorable session of Congress by bringing upon itself a charge of partiality?

That you may have reason for the sincerity of these statements, allow me to say that I am a Democrat. Against a Whig majority my grandfather was a candidate for the legislature in this county of Robeson nearly 100 years ago; and, so far as I am able to trace my political lineage, no Whig, Republican, or Populist vote has ever been cast by a member of our immediate family. We are a family of eight brothers, the youngest of whom is 47 years old, who now cast Democratic votes in three different States.

Again commending your course and thanking you for your zealous action in this and other important matters, allow me to subscribe myself as

Your obedient servant,

R. WALTER TOWNSEND.

I do not know Mr. Townsend. He refers me to my colleague [Mr. GODWIN] as to his identity; but, judging him by the tenor of his letter, he is that type of southern man which Henry Grady on a memorable occasion so eloquently extolled. At all events, whoever he may be, he but echoes the note of lofty self-reliance and energizing self-respect that characterizes every expression which has come to me in letters from the South.

#### CERTAIN AND FEASIBLE RELIEF.

It has been once or twice suggested here, Mr. Speaker, that if the remarkable proposals of the gentlemen from Texas [Mr. HENRY] and the much less objectionable proposition of the gentleman from Georgia [Mr. HARDWICK] are to be set aside as unsound and inexpedient, some efficient and feasible remedy should be devised. My friend the minority leader [Mr. MANN] made this suggestion the other day. Mr. Speaker, my contention is that much has already been done to relieve the threatened distress in the South; much has been done to prevent a realization of the disaster which some gentlemen so gravely apprehend. The Federal reserve system, when fully organized, will infinitely help the situation; and if gentlemen will quit obstructing the passage of bills reported by the Banking and Currency Committee amending the Federal reserve act so as to facilitate organization of the system and amplify its powers of aid, we shall speedily afford real relief to the South.

The SPEAKER. The time of the gentleman has expired.

The Chair wishes to admonish Members about two or three rules to which they do not pay the slightest attention during exciting circumstances. No Member has a right to sit in his seat and inject remarks into what a Member who has the floor says. It is not fair, for half the time he does not catch the meaning of it. And another thing, if a gentleman wants to interrupt a gentleman who has the floor he ought to address the Chair and ask consent, and we will get along just as well—

Mr. JOHNSON of Kentucky. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JOHNSON of Kentucky. Has the Reporter the right to take down the remarks of a Member under the circumstances indicated by the Chair, or only the right to take down the remarks of the gentleman who has the floor?

The SPEAKER. No; it is the business of the Reporter to take down whatever is said, and if the gentleman wants to

have it stricken out it can be done under certain circumstances, if the House wishes to do so.

Mr. BARTLETT. Mr. Speaker, I have a couple of amendments to this pending amendment upon which I desire to be heard.

The SPEAKER. The Clerk will report the amendments.

The Clerk read as follows:

Amend by striking out, on page 3, all of lines 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13, by changing the semicolon in line 3, and inserting a period. Also to strike out the following, beginning in line 25, page 2, with the word "and," down to and including the word "issuance," on page 3, line —

Amend, page 2, by striking out, in lines 10 and 11, the following words: "at a rate of interest not to exceed 4 per cent per annum."

Mr. BARTLETT. Mr. Speaker, the amendment offered by Mr. HARDWICK, my colleague, under the special rule, reads as follows:

SEC. 3. That the Secretary of the Treasury shall deposit in national banking associations and in State banks situated in States producing cotton or tobacco, or both, the sum of \$250,000,000, or so much thereof as may be necessary to carry out the purposes of this act. The said Secretary shall make such deposits under the terms of this act and under such rules and regulations as may be prescribed by him to carry out this act. The deposits herein directed to be made shall be apportioned among the several States in accordance with the number of bales of cotton or pounds of tobacco produced therein during the year 1913, as ascertained by the Department of Agriculture. The Secretary of the Treasury, in lieu of the securities he is now authorized or required by law to exact of the banks in which the funds of the United States are deposited, is authorized and hereby directed to accept as security for the deposits directed to be made in this act cotton warehouse and tobacco warehouse receipts, where the cotton or tobacco thereby represented has been fully insured, at a valuation that represents the fair market value of the cotton or tobacco covered by such receipts. The deposits herein directed to be made shall be made only on the condition that the banks accepting such deposits will loan the same, under reasonable terms and conditions, at a rate of interest not to exceed 4 per cent per annum, to the producers of cotton or tobacco, or the owners of lands upon which same was produced during the year 1914, and the said Secretary of the Treasury is hereby authorized to make all necessary rules and regulations concerning the terms and conditions under which these deposits shall be loaned by the banks that accept the same.

SEC. 4. That the Secretary of the Treasury shall, in his discretion, either immediately cause to be prepared United States notes to the extent of \$250,000,000 to be used for the purpose of making the deposits in compliance with this act, which said notes shall have all the legal qualities of the United States notes now outstanding, and shall be of such denominations as the Secretary of the Treasury may prescribe, and said notes shall bear interest at the rate of 2 per cent per annum from the date of their issuance and shall be payable in gold coin of the United States or its equivalent on January 1, 1916; or he may sell not exceeding \$240,000,000 of Panama Canal bonds, heretofore authorized by law, at a rate of interest not exceeding 4 per cent per annum, and the act or acts heretofore passed authorizing the disposition of said bonds are hereby amended so as fully to authorize the disposition and use of such bonds as herein prescribed; or, in his discretion, the Secretary of the Treasury may use both the proceeds of the bonds and the notes in order to carry out the purposes of this act, not to exceed in the aggregate \$250,000,000.

SEC. 5. That the Secretary of the Treasury shall not require the repayment of any deposit made under the provisions of this act prior to December 31, 1915.

SEC. 6. That when the deposits herein authorized are called in by the Secretary of the Treasury the same shall be and become a part of a special fund, to be kept and held separate and apart from the general funds of the Government, for the redemption and retirement at maturity of the Panama Canal bonds in such cases and to such extent as the proceeds of such bonds have been used to make the deposits herein provided.

If the amendments I have offered are adopted, then the amendment offered by my colleague [Mr. HARDWICK] will read as follows:

SEC. 3. That the Secretary of the Treasury shall deposit in national banking associations and in State banks situated in States producing cotton or tobacco, or both, the sum of \$250,000,000, or so much thereof as may be necessary to carry out the purposes of this act. The said Secretary shall make such deposits under the terms of this act and under such rules and regulations as may be prescribed by him to carry out this act. The deposits herein directed to be made shall be apportioned among the several States in accordance with the number of bales of cotton or pounds of tobacco produced therein during the year 1913, as ascertained by the Department of Agriculture. The Secretary of the Treasury, in lieu of the securities he is now authorized or required by law to exact of the banks in which the funds of the United States are deposited, is authorized and hereby directed to accept as security for the deposits directed to be made in this act cotton warehouse and tobacco warehouse receipts, where the cotton or tobacco thereby represented has been fully insured, at a valuation that represents the fair market value of the cotton or tobacco covered by such receipts. The deposits herein directed to be made shall be made only on the condition that the banks accepting such deposits will loan the same, under reasonable terms and conditions, to the producers of cotton or tobacco, or the owners of lands upon which the same was produced during the year 1914, and the said Secretary of the Treasury is hereby authorized to make all necessary rules and regulations concerning the terms and conditions under which these deposits shall be loaned by the banks that accept the same.

SEC. 4. That the Secretary of the Treasury shall, in his discretion, either immediately cause to be prepared United States notes to the extent of \$250,000,000 to be used for the purpose of making the deposits in compliance with this act, which said notes shall have all the legal qualities of the United States notes now outstanding, and shall be of such denominations as the Secretary of the Treasury may prescribe, and shall be payable in gold coin of the United States or its equivalent on January 1, 1916.

SEC. 5. That the Secretary of the Treasury shall not require the repayment of any deposit made under the provisions of this act prior to December 31, 1915.



By this means we will supply \$250,000,000 of additional currency to the banks located in the cotton and tobacco producing States, to be loaned under reasonable terms and conditions, to be fixed by the Secretary of the Treasury, to the producers of cotton or tobacco or to the owners of the land upon which these products were produced during the year 1914.

The amendments I propose dispense with the issue of the Panama bonds at 4 per cent, strike out the provision that the notes issued by the Government shall bear 2 per cent, and also the requirement that the loans made by the banks shall bear only 4 per cent per annum. I am glad of the opportunity to support some reasonable, practical measure that will somewhat relieve the situation in the cotton-growing States which exists by reason of the war now being waged in European countries.

The fact that 65 per cent of our raw cotton must be exported, and that all foreign markets are virtually closed, has brought about the situation now prevailing in this country, when we have absolutely no market for our cotton, and when the price for that reason has fallen below the cost of production. But even under this stress of dire circumstances, when our chief money crop is almost valueless, the South is not a beggar for charity or alms. For one I am not here to advocate any measure that has the semblance or color of asking for charity at the hands of the General Government for the people of the South; nor do I ask any special privileges for them. I simply insist that this Government shall exercise that supreme governmental function—to issue sufficient currency to answer the demands of our people. This is the duty of the Government and should be exercised whenever the needs of the people require it.

The plan now being considered is based upon sound Democratic principle and equally sound financial policy. The proposition, if the amendments I propose are agreed to, simply provides for the issue of a limited amount of Treasury notes, redeemable in gold within a short period of time; these notes, having all the qualities of existing Treasury notes, to be deposited in the banks and loaned upon cotton notes secured by warehouse receipts. There could be and is no better security to be obtained, and there will be no danger of any loss to the Government or the banks. For one, believing that Congress has the power to issue these notes, and that it can direct in what manner the deposits of public funds shall be used, I shall support the proposition.

On other occasions the Secretary of the Treasury has deposited the public funds and directed the manner in which the banks—the depositaries—should use them, and this emergency fully justifies such action in the case of the cotton producers, because should bankruptcy come to them, it would not only affect that particular section but would be a calamity nationwide in its scope.

Cotton is the largest and most valuable asset we have to produce and maintain our international credit and for many years past has produced and sustained the balance of trade in favor of the United States. During the last year the sales abroad amounted to \$610,000,000, and this large sum maintained the balance of trade in our favor; without it we would have had no balance of trade in our favor. In such an emergency, affecting as it does our entire country and involving the welfare not only of the cotton-producing States but of almost every section and the country as a whole, surely it is a reasonable demand to invoke the power of the General Government to discharge one of its sovereign functions—to issue in such an emergency sufficient currency to meet the necessities of the people.

Mr. Speaker, as I have said, the amendment I propose strikes from this bill the issuance of Panama bonds, also that provision that the notes issued shall bear 2 per cent. I also propose to strike from the bill that provision that the money shall be loaned at 4 per cent. I have not the time, Mr. Speaker, to discuss this amendment or the purposes of it. I have not the time to make an argument or the speech I would desire to make if I had that time about this proposition to meet the condition of affairs now prevailing in the cotton-producing States; but I have submitted a proposition in which a Democrat ought to believe, and that is that it is the highest duty of this Government at all times, and especially in times of emergency, to furnish the people with a sufficient currency to do the business of those people. [Applause.] Mr. Speaker, I do not believe that I violate the doctrines of the Democratic Party or of sound financial policy when I say that this Government should now in this emergency issue \$250,000,000 of Treasury notes, to be paid in gold one year from now, to be used by being deposited in the banks of the South, to be loaned to the raisers of cotton during this great emergency that has arisen by reason of the withdrawal of the foreign markets, in order that not only the

South but the country itself be saved from impending panic. Mr. Speaker, I do not believe we should sell bonds now in order to procure money to make these deposits. One reason is when you are selling bonds you are obliged to deplete the volume of currency in one section to transfer to the other, whereas by the issue of notes you do not diminish the volume of currency in any section, but you add to it, and a note issue by the Government of \$250,000,000 is just as sound and safe as Panama bonds, with 4 per cent interest, and will answer every purpose and can be met at maturity just as promptly. Now, Mr. Speaker, this is the only proposition that has been presented to this Congress that I have found myself able to support. I have no political purpose to serve. I am not endeavoring to do anything except to do something in this unusual and unlooked-for emergency, to aid our cotton producers to tide them over in such a crisis, for which they are in no wise responsible. I repeat, it is the highest duty of the Government to furnish to the people a currency sufficient to meet the demands of those people in a time of great emergency like this. I am not supporting, nor will I support, a proposition directing the purchase of cotton by the Government or the lending of money on cotton directly to the cotton farmer; this is not the function of government in any event. I am simply advocating the proposition that the highest duty of the Government is to furnish to its people a sufficient currency in order to transact the business of the country at all times, and especially to transact the business in a time of emergency, and by such means to save them from panic and ruin.

Mr. GLASS. Will the gentleman yield for a question?

Mr. BARTLETT. I have only five minutes.

The SPEAKER. The gentleman declines to yield.

Mr. BARTLETT. I beg the gentleman's pardon. Mr. Speaker, one thing I want to say before I close, and I know it to be a fact from evidence brought out in the investigation of the Steel Corporation, that in 1907 the Secretary of the Treasury not only deposited \$42,000,000 of the Government's money at one time in the banks of New York, in order to save from panic and bankruptcy a lot of stock gamblers, but also to enable certain favored bankers and trust magnates to violate the antitrust laws of the United States and to enable the Steel Corporation to purchase the Tennessee Coal & Iron Co., its only competitor, and a former President boasted that by such action he not only saved Moore & Schley, stock brokers, from bankruptcy, but stopped the panic of 1907, which was a "bankers' panic." We seek by this legislation to save millions of honest men who produce the chief asset in the Nation's prosperity from bankruptcy and financial ruin, and surely they are more entitled to our consideration and favor than those who in 1907 brought upon the country a financial panic by overtrading and gambling in the stocks of the country.

We seek nothing as charity. We simply insist that the Government come to our relief in a sound and reasonable way. The Manufacturers' Record published a few days ago the following, which I indorse:

SOUTH NOT A BEGGAR—VAST RESOURCES ONLY NEED TO BE DIRECTED ON CONSERVATIVE LINES.

The South is not a beggar. It does not need to beg and it can take care of itself, or, if it can not do so, then the sooner its people learn that fact and bring in others who can take care of themselves in such a heaven-favored land the better it will be.

No other country on the face of the earth has so many advantages as the South. No other country upon which the sun shines is so rich in resources. No other country is so well equipped by nature to produce the foodstuffs of grain and provisions and vegetables and fruits for man's sustenance, and no other country is so rich in mineral and timber and water-power resources so susceptible of development.

If in such a land as this, where the farmers for the five years preceding the present crop received an average of largely over 12 cents a pound for their cotton, yielding very large profits, one year's complete failure of the cotton crop, or one year's inability, as at present, to sell the cotton crop, brings about such a condition as to flood the land with plasters begging for charity to "help the South," then it is time for the people of this section who have backbone and stamina to take the lead and try to stem the current.

The South of olden days did not do so. The South blasted by a four years' war never asked for charity, and never in those days was the country plastered with appeals to "help the South." In the 10-year period between 1892 and 1901, when cotton sold at from 4 to 5 and 6 to 7 cents a pound in different years, the South suffered much, but it endured the situation and fought its fight without any such appeals as are now being made by politicians and others who are trying to make the South believe that it ought to be a beggar and the world believe that it is a beggar.

Mr. MURRAY. Mr. Speaker, I have an amendment in the nature of a substitute that would not be in order if any other amendments are to be offered until they are offered. I would like to have it reported and have it pending.

The SPEAKER. The gentleman from Oklahoma has a substitute for this whole amendment, and he asks to have it reported and have it pending. Without objection, the Clerk will report the amendment.



Mr. MANN. Reserving the right to object, does this come out of the time?

The SPEAKER. It does not come out of the time. In keeping the time on this debate, the time for the reading of the amendments is not taken out. The Clerk will report the amendment.

The Clerk read as follows:

Strike out all after the enacting clause and insert the following:

"That the Secretary of the Treasury shall deposit in national banking associations and State banks situated in States producing cotton or tobacco, or both, \$250,000,000, or so much thereof as may be necessary to carry out the purposes of this act and under the terms and conditions herein prescribed, to be loaned by said banks to the producers of cotton or tobacco, or owners of lands upon which the same was produced during the year 1914, at a rate of interest not exceeding 4 per cent per annum. The deposits herein authorized shall be advanced upon the terms prescribed in this act and under rules to be prescribed by the Secretary of the Treasury. The deposits herein directed to be made shall be apportioned among the several States in accordance with the number of bales of cotton and pounds of tobacco produced therein during the year 1913, as ascertained by the Department of Agriculture.

"SEC. 2. That the Secretary of the Treasury shall make and enforce rules and regulations not inconsistent herewith for carrying out the purposes of this act. Said Secretary of the Treasury may fix the compensation for the banks for their services in lending said sums of money.

"SEC. 3. That the Secretary of the Treasury shall, in his discretion, either immediately cause to be prepared United States notes to the extent of \$250,000,000 to be used for the purpose of making the deposits in compliance with this act, which said notes shall have all the legal qualities of the United States notes now outstanding, and shall be of such denominations as the Secretary of the Treasury may prescribe; or he may sell not exceeding \$240,000,000 of Panama Canal bonds, heretofore authorized by law, at a rate of interest not exceeding 3½ per cent per annum, and the act or acts heretofore passed authorizing the disposition of said bonds are hereby amended so as fully to authorize the disposition and use of such bonds as herein prescribed; or, in his discretion, the Secretary of the Treasury may use both the proceeds of the bonds and the notes in order to carry out the purposes of this act, not to exceed in the aggregate \$250,000,000: *Provided*, That such United States notes, should the Secretary of the Treasury conclude to issue them, deposited under this act and not used as prescribed herein, shall be returned to the Secretary of the Treasury and shall be destroyed.

"SEC. 4. That this act shall take effect and be in force from and after its passage.

"SEC. 5. That this act shall expire by limitation on the 31st day of December, 1915."

Mr. HARDWICK. Mr. Speaker, I reserve a point of order against the amendment.

Mr. MURRAY. Mr. Speaker, when I introduced that I thought it referred to a bill, but I find it refers to an amendment to the proposed bill S. 6398, and I offer it as a substitute to that proposed amendment rather than to strike out all after the enacting clause.

The SPEAKER. You offer it as read?

Mr. MURRAY. Yes, sir.

The SPEAKER. The gentleman from Georgia [Mr. HARDWICK] reserves the point of order, and the gentleman from Texas [Mr. HENRY] is recognized for five minutes.

Mr. HENRY. Mr. Speaker, I wish to call to the attention of the House—

Mr. MURRAY. How did the gentleman from Texas get the floor when I wanted to discuss the amendment?

The SPEAKER. The gentleman from Oklahoma was not recognized to discuss it. You were recognized to offer it and have it ready for information. Your time on the amendment will come later. The gentleman from Texas [Mr. HENRY] is recognized for five minutes.

Mr. HENRY. Mr. Speaker, there are a few facts that have come to light in the last debate about which this House should have information. The gentleman speaks of the abundance of currency that has been placed in the New York banks and has been sent to the South. Let me say to him that this plan which was originated by Mr. Wade, of St. Louis, will be a failure, because the banks of the South are not able to contribute to the pool. All the national banks in the city of Waco, my home town, a day or two ago met and found they could not advance one dollar to this pool, because they had already loaned \$2,000,000, and naturally they did not have the resources to meet the requirements.

And to-day occurs the following statement in the New York Sun:

BANKS MAY NOT JOIN IN BIG COTTON POOL—SUGGEST THAT SOUTH COULD USE \$170,000,000 EMERGENCY CASH IN PINCH.

There is a growing feeling among New York bankers that the plan for the \$150,000,000 cotton pool, as proposed by Festus J. Wade, of St. Louis, may not go through without considerable modification or until some other scheme has been tried. Prominent bankers here are inclined to look upon the cry for assistance from the southern banks as rather unfair and unnecessary in view of the financial problems which New York is facing, and the fact that the South has just gone through three or four years of great prosperity. They believe that the South should first try to help itself and meet its problems the way that New York City did the matter of its foreign indebtedness without seeking aid of other sections of the country.

Suggestions are said to have been made to the members of the Federal Reserve Board, Secretary McAdoo, and the southern banks that the banks avail themselves of their right to take out emergency cur-

rency and use that for the relief of the cotton problem. It is pointed out that the South has taken out only about \$40,000,000 in emergency currency, while it is entitled to take out something like \$170,000,000. This amount, if taken out by the southern banks, would be sufficient, in the opinion of New York financial authorities, to meet all the needs of the occasion.

Mr. Speaker, as outlined in the New York Sun, they are cramped, and although the vaults of the New York banks have been glutted with more than \$140,000,000 of the people's money sent from the Treasury of the United States to supply their needs, they are not willing to contribute to that pool.

Mr. Speaker, I am grieved that my friend from Virginia [Mr. GLASS] can not follow us this day. Let me remind him that we include in this bill tobacco, which is distressed as well as cotton, and let me say to him that while this Government has deposited funds to relieve the distress of New York and Tennessee and of other States in this country, it ought to deposit public funds to relieve the distress of his own people in Virginia.

Mr. GLASS. May I interrupt the gentleman?

Mr. HENRY. Just one moment.

Mr. GLASS. Just to put in the Record this statement: That the putting of tobacco in this bill at the twelfth hour shall not be permitted to compromise my intellectual integrity for the purpose of bringing me back to this House. [Applause.]

Mr. HENRY. Mr. Speaker, in 1907—and it can not be stated too often in this debate—public funds in four days to the extent of \$43,000,000 were expressed to New York City and placed in the hands of J. Pierpont Morgan, who was not an officer in any banking institution or trust company, who was not a director in a single national bank or trust company, and he distributed the people's money amongst the banks of New York City—his favorites—and deposited \$10,000,000 of the people's money in the trust company at the head of which was Oakley Thorne. Here we are proposing things in line with the same thing that was done then. We are proposing things in line with what Mr. Williams—the other Virginian—said at Indianapolis recently, that which they had done in regard to the New York banks, that they had sent \$40,000,000 by express as fast as the train could carry that amount of money, of public funds out of the Treasury of the United States, in order to relieve the distress of the banks of New York City. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. MANN. Mr. Speaker—

The SPEAKER. The gentleman from Illinois [Mr. MANN] is recognized for five minutes.

Mr. MANN. The gentleman from Texas [Mr. HENRY] reminds us that the amendment covers both cotton and tobacco. I am willing to make a present to anybody in the House who can tell what this language means:

The deposits herein directed to be made shall be apportioned among the several States in accordance with the number of bales of cotton or pounds of tobacco produced therein during 1913.

Is the bale of cotton to be offset against a pound of tobacco or a pound of tobacco offset against a bale of cotton? Since when did a pound of tobacco become worth as much as a bale of cotton?

Mr. HARDWICK. Will the gentleman yield to me?

Mr. MANN. No; I will not yield.

Mr. HARDWICK. I thought you wanted an answer.

Mr. MANN. If I had time I would be glad to yield. That is what the bill says. It directs the apportionment, not so much for cotton and so much for tobacco, but \$250,000,000 for cotton and tobacco, according to the number of bales of cotton and pounds of tobacco. Wisconsin, under that, would get more money for tobacco than Georgia will for cotton. [Laughter on the Republican side.]

Now, the gentleman from Georgia [Mr. HARDWICK], the distinguished author of the amendment, said there was provision made for repaying these notes that it is proposed to issue. The bill distinctly provides that the deposits made in the banks shall not be withdrawn before the 31st day of December, 1915, and then it innocently provides that they shall be paid—the notes outstanding shall be paid—on the 1st day of January, 1916. That is pretty rapid movement, to withdraw \$250,000,000 from the southern banks on the last day of December and pay it all out on the 1st day of January. It is absolutely absurd and impossible.

Mr. MURRAY. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore (Mr. HAY). Does the gentleman from Illinois yield to the gentleman from Oklahoma?

Mr. MANN. I do not yield.

The SPEAKER pro tempore. The gentleman from Illinois declines to yield.

Mr. MANN. Now, Mr. Speaker, I hope that we shall find a way for cotton. But, after all, remember that while we are not able now to sell cotton, we are not likewise able to buy the bonds and stocks which Europe threatens to put upon us, which



they now own. The difficulty in the one case is no greater than the difficulty in the other. The real paralysis to-day in the financial world comes from the fact that on the other side of the Atlantic they own in the neighborhood, it is said, of \$3,000,000,000 of our stocks and bonds—

Mr. TOWNSEND. Five billion dollars' worth.

Mr. MANN. They need the money. They propose, it is said, to dump them on our shores, and the financial world is to-day straining its back, endeavoring to be ready to take those stocks and bonds at some price, because if they are all dumped upon us, and no one is ready to take them, universal bankruptcy in our country follows as an inevitable consequence. [Applause on the Republican side.]

#### CORRECTION OF ERROR IN A PENSION BILL.

The SPEAKER. The other day the House passed House joint resolution 361, an omnibus resolution, making corrections in pension bills, and sent it over to the Senate. Then, after that, the House passed joint resolution 375, which contained one of the items that was in the House joint resolution 361. So, unless there is objection, the House will ask the Senate to return House joint resolution 375. Is there objection? [After a pause.] The Chair hears none.

#### COTTON AND TOBACCO.

Mr. MURRAY. Mr. Speaker, the substitute I offered was prepared by a committee representing one from each cotton and tobacco State, and was ratified by a conference of southern Congressmen, which in its organization has 83 members, and there were 62 members present when this bill was adopted. I feel that I ought, as chairman of that conference, to offer it for the conference, and for the further reason that it will meet the conditions better than the provision offered by the gentleman from Georgia [Mr. HARDWICK].

I am not opposed to the provision offered by the gentleman from Georgia. I will vote for it, and for the next best thing, and any other thing or all things that will meet this situation. I would vote, certainly, just as quickly to provide for a loan to the cotton grower as I would to appropriate money to San Francisco or Salem as an absolute gift.

The only objection I have to the provision offered by the gentleman from Georgia is this: It makes the banks liable, and therefore in this condition they can not afford to make the loans, and will not make the loans.

Mr. GLASS. Mr. Speaker, may I interrupt the gentleman?

The SPEAKER. Does the gentleman from Oklahoma yield to the gentleman from Virginia?

Mr. MURRAY. Just in a moment I will. They can not tell, in view of their depositors, how long they must hold this cotton; and the first duty of every banker is the protection of his depositors. The Government is the only power that can come to the rescue of the southern cotton farmers, just as the Government was the only power that could take the place of the insurance companies that insured merchant ships against war risks. The insurance companies could not do it, and the Government wisely came to their rescue. And that is unprecedented. Now, the Government is the only power. The banks can not do it, and the Government ought to do it.

Now I yield to the gentleman from Virginia.

Mr. GLASS. I wanted to ask the gentleman from Oklahoma if there is any provision of this proposed amendment that requires the banks to loan Government funds at 4 per cent, when they are already receiving 6 and 7 per cent?

Mr. MURRAY. Under the one I offered?

Mr. GLASS. No; under the Hardwick amendment. Is there any provision under this amendment that requires banks to make these loans?

Mr. MURRAY. No, sir.

Mr. GLASS. Then I will ask the gentleman if he thinks it at all probable that these banks will receive Government funds and use them in competition with their own funds at 4 per cent?

Mr. MURRAY. The selfish banker will not do it. The unselfish banker will do it. I feel that 90 per cent of the bankers in my district will do it, because they are willing for any kind of aid. They know that there is nothing in the Vreeland-Aldrich Currency Act. They know there is nothing under the regional reserve system. That system was intended to make the farmer give up his crop. It was written for that purpose, and not to enable him to hold it for any kind of price. [Applause.] And there is not any remedy for that.

Now, the gentleman from Virginia speaks of inflation. It is a question of what you mean by inflation. If you mean that your money is equal to any other dollar, then there is no inflation in it. If increase of money means inflation, then of course it does; and I apprehend the gentleman from Virginia

means that, because he stated the other day to the bankers that there would not be inflation when we had dollar for dollar in gold behind the \$360,000,000 of currency.

Why, there is no inflation to-day when you consider one dollar equal to every other dollar, and I do not see how, from that point of view, that could be made a charge against this. In fact, the gentleman knows that it is not, unless he means an increase of currency means inflation. There is no danger in an increase of currency when it will all be equal to the gold dollar. It is true we have more money to-day than we ever had, but for many years France had \$55 per capita, and that was their prosperous period.

The SPEAKER. The time of the gentleman has expired.

Mr. SIMS. Mr. Speaker, I will vote for this so-called cotton amendment to this pending Senate bill, as it gives us the only opportunity we will have in the House to vote for anything calculated to relieve the situation now existing in the South, but I hope when the bill goes back to the Senate that this amendment will be so amended in the Senate as to provide for legislation similar to what is known as the Smith amendment to the war-revenue bill, when that measure was before the Senate.

Speaking for myself, I favor the proposition for the Government to issue small denomination bonds bearing 4 per cent interest, to be given in exchange for cotton at par, at a price not to exceed 10 cents per pound, middling basis, in sufficient amount to take over 5,000,000 bales of this year's growth of cotton, and to hold same for two years, unless it can sooner be sold at a price that would fully reimburse the Government for the bonds, accrued interest, all costs and expenses incurred in purchasing, carrying, and disposing of the cotton. But should a loss of any amount finally result to the Government, the same to be recouped by a tax of not exceeding one-half a cent per pound to be levied on all cotton hereafter grown, grading middling or better, until such loss is fully paid.

A law of this kind will immediately steady the market in all countries, and not another bale of cotton would be offered or sold at less than 10 cents a pound, and I doubt that a single bale would be offered to the Government. The moment that it was known the world over that our Government would take 5,000,000 bales at 10 cents a pound of this year's growth and hold it for two years, every man who has a drop of speculative blood in him would be willing and anxious to take a chance on a few bales of cotton at 10 cents, when he knows that the price will not decline for two years and that in all human probability he will make a good profit on his investment.

The banks would not hesitate to lend money on cotton at a much higher valuation and at a lower rate of interest than they will in the absence of such a law. I think such a proposition far preferable to the Government issuing legal-tender Treasury notes, redeemable in gold on demand, and depositing same with the banks to be loaned out to the holders of cotton at such a rate of interest as the banks may see proper to demand and at a valuation to be fixed by themselves. The bond-issue plan would not tend to the inflation of the currency nor lead to the indefinite sale of Government bonds with which to replenish the gold-redemption fund in the Treasury. Such a plan would enable the cotton industry to take care of itself without any tax burden on any other industry. I see nothing in the Constitution that prohibits such a transaction. It involves no greater governmental power than was exercised in the purchase of silver bullion and involves the Government in no ultimate loss, as did the silver-purchase law.

If something of this kind is not done, I very much fear that before the present world-wide war is over cotton will sell at 4 cents a pound. I do not think it necessary or advisable to levy any kind of acreage-reduction tax to prevent an excessive crop next year. With the prices of all other crops at a much higher figure, relatively, than cotton at 10 cents, the acreage-reduction question will take care of itself.

Mr. BULKLEY. Mr. Speaker, how much more time is remaining?

The SPEAKER. One minute.

Mr. BULKLEY. Mr. Speaker, the assertion has been made that all danger of issuing these proposed Government notes is obviated by making them payable in gold only after the 1st of January, 1916. In the brief time at my disposal I want to call the attention of the House to the fallacy of that argument. It only postpones the day of reckoning for a few brief months. In the proposed amendment no provision is made for any additional gold to be available to redeem those notes when they come due on the 1st of January, 1916. The holders of the present outstanding United States notes have the right to demand the payment of those notes in gold now; and if they are put upon notice now that on the 1st of January, 1916, the burden on the gold reserve behind those notes will be doubled, does anyone sup-



pose that the holders of those United States notes will not now be alarmed by that situation?

The SPEAKER. The time of the gentleman has expired. All time has expired. The question is on the first Bartlett amendment.

The question being taken, the Speaker announced that the noes appeared to have it.

Mr. BARTLETT. Division, Mr. Speaker. I ask to have the amendment reported again.

The SPEAKER. The Clerk will report the first Bartlett amendment, if there be no objection.

The Clerk read as follows:

Amend by striking out, on page 5, all of lines 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13 and by changing the semicolon in line 3 and inserting a period.

Mr. BARTLETT. That strikes out the provision for the sale of Panama bonds.

The question being taken, the Speaker announced that the ayes appeared to have it.

Mr. MURRAY and Mr. HARDWICK demanded a division.

The House divided; and there were—ayes 57, noes 39.

Accordingly the amendment was agreed to.

The SPEAKER. The Clerk will report the next Bartlett amendment.

The Clerk read as follows:

Strike out, in line 25, page 2, beginning with the word "and," down to and including the word "issuance," on page 3, line 1.

Mr. BARTLETT. Mr. Speaker, with the permission of the House I will ask to withdraw that amendment.

The SPEAKER. The gentleman does not need to have the permission of the House.

Mr. MANN. Oh, no; I object.

Mr. BARTLETT. If I can withdraw it without the permission of the House, I will withdraw it.

Mr. MANN. The gentleman can not withdraw it when there is objection.

The SPEAKER. In the House a Member has the right to withdraw an amendment clear up to the time of voting upon it.

Mr. MANN. I do not think the gentleman has a right to withdraw an amendment which has been offered when no further opportunity can be had under the rule to offer the amendment.

Mr. BARTLETT. The gentleman certainly will acquit me of any bad faith in the matter.

Mr. MANN. Oh, certainly.

The SPEAKER. That has nothing on earth to do with it.

Mr. MANN. If that ruling were made, the gentleman could not offer another amendment while the same amendment was pending.

Mr. BARTLETT. I withdraw the request.

The SPEAKER. The gentleman withdraws his request. The question is on the amendment which has just been reported.

The question being taken, the Speaker announced that the noes appeared to have it.

Mr. MANN. I ask for a division.

The House divided; and there were—ayes 54, noes 43.

Accordingly the amendment was agreed to.

The SPEAKER. The Clerk will report the next Bartlett amendment.

The Clerk read as follows:

Amend, on page 2, by striking out, in lines 10 and 11, the following words: "At any rate of interest not to exceed 4 per cent per annum."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken; and on a division, demanded by Mr. BARTLETT, there were—ayes 82, noes 43.

So the amendment was agreed to.

The SPEAKER. The question now is on the Murray substitute.

Mr. HARDWICK. Mr. Speaker, I make the point of order that the substitute offered by the gentleman from Oklahoma [Mr. MURRAY] is not germane to the proposition pending, the pending proposition being to deposit certain funds of the United States in certain depositories, and the proposition of the gentleman from Oklahoma being to make certain loans to certain people in the United States, with no liability whatever on the part of any of the banks through which those loans are made. It seems to me that the Murray proposition is radically different from the pending amendment. One is a deposit proposition and the other is a loan proposition.

Mr. MANN. Mr. Speaker, will the gentleman from Georgia yield?

Mr. HARDWICK. Certainly.

Mr. MANN. Considering all of the facts, as well as the fact that some of us here cooperated in getting this matter before the House for a vote, why is not the gentleman from Georgia

willing to withdraw his point of order and let us have a vote on the proposition? Is it not better to have a vote upon all of these propositions?

Mr. HARDWICK. Mr. Speaker, I will answer the gentleman frankly by saying that for reasons which I would be glad to explain, but which I do not believe I will explain right now, I can not. I do not think one proposition is germane to the other, and can not waive the point of order.

The SPEAKER. Is not the Murray proposition a deposit proposition also?

Mr. HARDWICK. Oh, no.

The SPEAKER. Does the gentleman from Oklahoma desire to be heard?

Mr. MURRAY. Mr. Speaker, all I desire to say is this, that it would certainly be an unwholesome principle to rule a provision of this character out of order when it is offered not to the bill, but as a substitute for the Hardwick amendment, because both provide for the deposit of funds, both provide that the funds shall be Government funds, and the only distinction is that in his case the banks are liable for all of essence in value of the currency, while in the amendment I offer they are liable as banks receiving deposits, and they are also liable in the matter of agency in handling the Government funds. That is the only distinction. It merely facilitates the same object.

The SPEAKER. The Chair will ask the gentleman a question. Does the Hardwick amendment contain anything about loans?

Mr. MURRAY. I understand that it does.

Mr. HENRY. Oh, yes, it does.

Mr. HARDWICK. Oh, it does not.

Mr. MURRAY. It provides that the money shall be loaned at a rate of interest to the producers of cotton or owners of land on which it is produced at not exceeding 4 per cent.

The SPEAKER. Is that the gentleman's amendment?

Mr. MURRAY. That is the Hardwick amendment, and the same language is used in my amendment. The fact is that the whole purpose of this is not a purpose of deposit, but the purpose of his provision is to give the farmers a loan, and that is the purpose of mine. There is a distinction as to liability. I hope the gentleman will not claim that his purpose is merely to make a deposit, but the fundamental idea is a loan, and the loan is used in both.

The SPEAKER. Wherein does his proposition differ from the gentleman's proposition?

Mr. HARDWICK. Mr. Speaker, will the Chair hear me on that?

The SPEAKER. Certainly.

Mr. HARDWICK. Mr. Speaker, the pending amendment presents this sort of a proposition: It proposes to deposit funds of the United States in certain banks, which banks, of course, are made depositories of the United States for the purpose of receiving those deposits, the banks remaining in each case liable to the Government for public funds, the deposits being made on condition that the deposits shall be used in a certain way. That is my amendment.

The SPEAKER. How does that differ from the Murray amendment?

Mr. HARDWICK. The Murray amendment proposes not to deposit funds of the United States, but to loan funds of the United States directly to certain farmers of the United States, without any bank in which the same is deposited being liable to the Government for those funds.

Mr. MURRAY. Oh, that is not correct.

Mr. HARDWICK. Except for gross negligence in handling it, as if they should let some one steal it.

The SPEAKER. What is the real difference between a deposit of Federal funds in a bank and loaning Federal funds to a bank?

Mr. HARDWICK. There is all the difference in the world. In the Murray proposition the banks are liable simply as naked bailees. They distribute Government funds directly to the people to whom the Government loans it. In the amendment that I offer the Government merely deposits this fund in the banks, its own depositories, who are liable under the law for its return and must give security for it.

Mr. HENRY. Mr. Speaker, will the gentleman yield?

Mr. HARDWICK. Yes.

Mr. HENRY. Mr. Speaker, I confess these two propositions are so much alike that it is difficult to tell the difference.

Mr. HARDWICK. Oh, let me finish my statement. There is but one difference, and that is fundamental. In the amendment that we are now voting upon the banks are liable for the return of every cent of this money to the Government. If the gentleman's proposition be adopted, the banks would not be liable unless they had been guilty of gross negligence as a bailee would be liable, and not as a depository of Government funds.



In other words, the banks under the proposition proposed by the gentleman from Oklahoma are liable only as a bailee would be liable. They do not borrow the money from the Government, nor is the Government money deposited in them, but they are simply used as agents to distribute Government loans.

Mr. HENRY. Will the gentleman yield at that point?

Mr. HARDWICK. Certainly.

Mr. HENRY. Now, in the line of this discussion allow me to read two lines from the amendment offered by the gentleman from Georgia [Mr. HARDWICK].

The SPEAKER. Where is the gentleman reading?

Mr. HENRY. From section 3 of the amendment offered.

Mr. MANN. Page 2, line 7.

Mr. HENRY (reading):

The deposits herein directed to be made shall be made only on the condition that the banks accepting such deposits will loan the same under reasonable terms and conditions, at a rate of interest not to exceed 4 per cent per annum, to the producers of cotton or tobacco.

Mr. HARDWICK. Mr. Speaker, I called attention to that. But the fundamental, the cardinal, difference is in the proposition I have offered—that the banks are liable to the Government as the depositaries are now liable to the Government for the return of public funds; whereas under the proposition now suggested by the gentleman from Oklahoma the banks are simply agents of the Government, and would not be liable for the return of the funds as depositaries are now liable, and you will observe that the amendment of the gentleman from Oklahoma in its second section provides for paying a certain commission, one-third of the amount of the interest, I think it is, for their services as agents. If these loans fail and were not repaid by the planters, the banks who handle them would not owe the Government one cent because of such default, whereas under the proposition I present every bank that gets a dollar is liable as depositaries now are liable and must repay such funds. There is all the difference in the world.

The SPEAKER. Does the gentleman think under the Murray amendment that a bank is not liable for the money?

Mr. HARDWICK. Undoubtedly; I think the gentleman from Texas and the gentleman from Oklahoma will tell you the same thing.

Mr. HENRY. If the Chair will read the second section of their proposition, he will see a provision that they shall receive a certain commission for their services in distributing this money.

The SPEAKER. How does the gentleman hold up to the proposition that the amendment offered by the gentleman from Oklahoma [Mr. MURRAY] is not germane?

Mr. HARDWICK. I go back to the first proposition with which I started, because the proposition we present here is a proposition to deposit public funds of the United States in such depositaries of the United States on certain conditions which are expressed in law, whereas the proposition of the gentleman from Oklahoma is not to make deposits of public funds at all, but to make loans of public funds to private individuals and to employ banks simply to act as agents for this loan-distribution process, which is an essentially different proposition.

Mr. MANN. Mr. Speaker, I know it is very natural for a gentleman who has prepared a proposition himself to think that another proposition to cover the same purpose but not in the same form is not germane. That is natural—

Mr. HARDWICK. I hope the gentleman will acquit me of that.

Mr. MANN. I think that is the trouble with the gentleman now.

Mr. HARDWICK. Oh, no.

Mr. MANN. If it were not the gentleman's own proposition, he would clearly see that the Murray amendment was germane. The Hardwick proposition is not merely to deposit money in the bank, but to deposit money in the bank on the compulsion that the bank shall loan the money at 4 per cent interest to certain persons.

Mr. HARDWICK. If the gentleman will pardon me—

Mr. MANN. In a moment.

Mr. HARDWICK. All right.

Mr. MANN. It is a compulsion. It is not a deposit of money in the bank, but the banks are a mere conduit through which the money is to flow from the Treasury to the individual.

Mr. HARDWICK. If the gentleman will pardon me, no bank is required to accept these deposits. You can not make them come in and take this money, but they are liable for it if they do take it.

Mr. MANN. I understand that.

Mr. HARDWICK. And if they take it, they have to see it is paid back.

Mr. MANN. They can not get the money unless they agree to do a certain thing, which is to hand the money over to the individual. That is the Murray amendment in a different form. It makes no difference in the end. The purpose in the end is to get the money of the Government into the hands of the cotton producer, a new method of doing it. There might be a thousand methods, all of them germane one to the other, so there can be no question in my mind that a proposition to employ a different method to accomplish the same result must be germane to a method which has already been proposed.

The SPEAKER. The Chair will ask the gentleman from Georgia, where does this bill say anything about these banks being Government depositories?

Mr. HARDWICK. Which bill—my proposition?

The SPEAKER. The gentleman's amendment.

Mr. HARDWICK. Nothing in the world, except it directs the Secretary to deposit it in these banks, and that makes them depositories.

The SPEAKER. What banks?

Mr. HARDWICK. In the banks named, State and National banks in certain territory of the United States.

The SPEAKER. The gentleman was arguing here awhile ago that under his amendment that money was loaned.

Mr. HENRY. Will the gentleman allow me to make a suggestion there?

Mr. HARDWICK. Certainly.

Mr. HENRY. That these moneys are deposited under 5153 of the Revised Statutes.

The SPEAKER. Are they deposited under the same rules and regulations?

Mr. HARDWICK. Not at all.

Mr. HENRY. I think—

Mr. HARDWICK. I think there is a material difference, and the gentleman from Texas knows it, too, I think, and will, I believe, readily concede it. In the one case the banks in which these deposits are made are liable to the Government of the United States for them, and in the other case they are not liable.

Mr. MANN. Will the gentleman yield?

Mr. HARDWICK. Certainly.

Mr. MANN. Does the gentleman doubt that an amendment would be in order to relieve the banks of that liability?

Mr. HARDWICK. I do not think it would, because this is a proposition to deposit public funds in the depositories.

Mr. MANN. Can we not relieve the banks of that liability if we wish to do so? Has not the House, in the consideration of that, the right to strike out the liability proposition?

Mr. HARDWICK. It might be germane to the pending proposition.

Mr. MANN. You would have a right to strike out?

Mr. HARDWICK. I do not think you can substantially change the general character of the proposition. Here is a proposition to deposit certain public funds, on condition, I admit, but to make deposits in the banks of the United States. The banks in which the same are deposited remain liable to the Government therefor.

Mr. MURRAY. Will the gentleman yield?

Mr. HARDWICK. Certainly.

Mr. MURRAY. Does the gentleman deny that the first object of his amendment, as well as mine, is to get the loan to the farmer?

Mr. HARDWICK. I do not know that I am called on to answer that question, although I do not mind doing it. This is to do it in the only safe and sane way we can accomplish the gentleman's purpose, in my opinion.

Mr. MURRAY. Leaving that out, is not that the first object?

Mr. HARDWICK. It is to do it in a safe way.

Mr. MURRAY. Will the gentleman answer? Is not that the object?

Mr. HARDWICK. I think I have already answered the gentleman's question. I do not think it necessary to do so again.

Mr. METZ. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. METZ. Is it not proper to propose an insane substitute, that is what this amounts to, then.

The SPEAKER. That is not a parliamentary inquiry.

Mr. HARDWICK. Here is a proposition under which the banks remain liable to the Government. Now, they propose to substitute for that a proposition which is an advance to certain private individuals and under which the banks will not be liable. That is the difference as I see it, and it is a most important and material difference.

Mr. GARRETT of Tennessee rose.



The SPEAKER. Does the gentleman from Tennessee wish to be recognized?

Mr. GARRETT of Tennessee. Not now. I did wish to address an inquiry to the gentleman from Georgia [Mr. HARDWICK], but it is not necessary now.

The SPEAKER. The Chair thinks the point of order is well taken. [Applause.]

Mr. BARTLETT. Mr. Speaker, I call attention to and ask unanimous consent that we may consider an amendment to strike out section 6 of this bill, which pertains entirely to the redemption of the Panama Canal bonds, and it is proper to do this in order to perfect the amendment. I ask unanimous consent that I may offer an amendment.

The SPEAKER. The gentleman from Georgia [Mr. BARTLETT] asks unanimous consent to offer an amendment to strike out section 6.

Mr. SHERLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SHERLEY. Does not the question now come up on the adoption of the amendment offered by the gentleman from Georgia [Mr. HARDWICK] as amended by the gentleman from Georgia [Mr. BARTLETT]?

The SPEAKER. Of course; but the gentleman from Georgia is now asking unanimous consent to offer an amendment to strike out a section.

Mr. BARTLETT. That applies entirely to the Panama Canal bonds.

Mr. HARDWICK. It is not applicable now. The provision in regard to the Panama bonds ought to go out.

The SPEAKER. The gentleman says he wishes to perfect the amendment.

Mr. BARTLETT. That is correct.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the amendment.

The Clerk read as follows:

Amend the amendment by striking out section 6.

The SPEAKER. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

The SPEAKER. The question is on the amendment of the gentleman from Georgia [Mr. HARDWICK] as amended.

The question was taken, and the Speaker announced that the yeas seemed to have it.

Mr. CRISP, Mr. HENRY, and Mr. HARDWICK demanded a division.

Mr. MANN. Mr. Speaker, I make the point of order there is no quorum present.

Mr. THOMPSON of Oklahoma. Mr. Speaker, I make the point of order that there is no quorum.

The SPEAKER. The gentleman from Illinois [Mr. MANN] makes the point of order that there is no quorum present.

First, however, the Chair will state that he sent over to Mr. UNDERWOOD to find out what was the prospect about getting the conference report on the war-tax bill in to-night. The gentleman sent back word that, while they had agreed substantially on most of it, it would take three hours to get it into shape, but that they would try to get it into shape and have it printed so that we can have a printed copy in the morning. [Applause.]

The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

Mr. SLAYDEN. Mr. Speaker, is the vote on the adoption of the amendment now?

The SPEAKER. The vote is on the adoption of the Hardwick amendment as amended. Those in favor thereof will answer "yea" and those opposed will answer "nay."

Mr. EDWARDS. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman rise?

Mr. EDWARDS. To make a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. EDWARDS. If the Hardwick amendment is voted down, would it then be in order to offer the amendment that was offered awhile ago by the gentleman from Oklahoma [Mr. MURRAY]?

The SPEAKER. Thirty minutes are allowed under the rule, and 30 minutes have expired. You can not offer any more amendments to this bill.

Mr. MANN. Has the Speaker declared no quorum present?

The SPEAKER. The Chair will do it, if it has not been done. There is no quorum present, and the Clerk will call the roll.

The question was taken; and there were—yeas 91, nays 123, answered "present" 12, not voting 202, as follows:

## YEAS—91.

Abercromble	Austin	Blackmon	Byrnes, S. C.
Adamson	Barkley	Broussard	Byrnes, Tenn.
Aiken	Bartlett	Buchanan, Tex.	Candler, Miss.
Aswell	Bell, Ga.	Burnett	Cantrill

Caraway  
Carlin  
Carter  
Collier  
Crisp  
Dent  
Dupré  
Eagle  
Edwards  
Evans  
Falconer  
Finley  
Flood, Va.  
Floyd, Ark.  
Garrett, Tenn.  
Garrett, Tex.  
Godwin, N. C.  
Goeke  
Goodwin, Ark.

Hardwick  
Hardy  
Hayden  
Heflin  
Helvering  
Henry  
Houston  
Howard  
Hughes, Ga.  
Hull  
Humphreys, Miss.  
Jacoway  
Johnson, Ky.  
Johnson, S. C.  
Keating  
Kirkpatrick  
Kitchen  
La Follette  
Lazaro

Lee, Ga.  
Lever  
McKellar  
Morgan, La.  
Morgan, Okla.  
Murray  
Oldfield  
Padgett  
Page, N. C.  
Park  
Pou  
Quin  
Ragsdale  
Rayburn  
Rouse  
Saunders  
Sims  
Sisson  
Slayden

Small  
Smith, Tex.  
Stedman  
Stephens, Miss.  
Stephens, Tex.  
Stout  
Taylor, Ala.  
Taylor, Ark.  
Thompson, Okla.  
Tribble  
Walker  
Watson  
Webb  
Whaley  
Wilson, Fla.  
Wingo  
Witherspoon  
Young, Tex.

## NAYS—123.

Alexander  
Ashbrook  
Bailey  
Barchfield  
Barnhart  
Barton  
Beakes  
Borchers  
Brockson  
Brodebeck  
Brown, W. Va.  
Bruckner  
Brumbaugh  
Bulky  
Burgess  
Carew  
Carr  
Claypool  
Cline  
Coady  
Cooper  
Cox  
Cullop  
Curry  
Dale  
Danforth  
Davis  
Dershem  
Dickinson  
Difenderfer  
Dillon

Dixon  
Donovan  
Dooling  
Doremus  
Drukker  
Dunn  
Eagan  
Edmonds  
Esch  
Fairchild  
Farr  
Fitzgerald  
Gardner  
Gilmore  
Glass  
Goulden  
Graham, Pa.  
Gray  
Greene, Mass.  
Greene, Vt.  
Griest  
Griffin  
Hamilton, N. Y.  
Haugen  
Hawley  
Hay  
Helm  
Hinds  
Holland  
Humphrey, Wash.  
Johnson, Utah  
Kennedy, Conn.  
Kennedy, Iowa  
Kennedy, R. I.  
Kindel  
Kinkaid, Nebr.  
Korbly  
Langham  
Levy  
Lieb  
Lloyd  
Lobeck  
McGillicuddy  
Maguire, Nebr.  
Mahan  
Mapes  
Metz  
Miller  
Moore  
Morin  
Morrison  
Mott  
Nelson  
O'Brien  
Parker  
Patten, N. Y.  
Patton, Pa.  
Payne  
Phelan  
Platt  
Plumley  
Porter

Post  
Prouty  
Raines  
Raker  
Rauch  
Reilly, Conn.  
Riordan  
Rubey  
Rupley  
Scott  
Sherley  
Sherwood  
Sinnott  
Smith, Saml. W.  
Stafford  
Stanley  
Steenerson  
Stone  
Tavener  
Taylor, Colo.  
Thomson, Ill.  
Townsend  
Tuttle  
Underhill  
Vare  
Wallin  
Walsh  
White  
Winslow  
Woods

## ANSWERED "PRESENT"—12.

Ainey  
Booher  
Clark, Fla.

Fergusson  
Foster  
Gill  
Hamlin  
Hensley  
Kinkaid, N. J.

Mann  
Rucker  
Whitacre

## NOT VOTING—202.

Adair  
Allen  
Anderson  
Ansberry  
Anthony  
Avis  
Baker  
Baltz  
Bartholdt  
Bathrick  
Beall, Tex.  
Bell, Cal.  
Borland  
Borwle  
Britten  
Brown, N. Y.  
Browne, Wis.  
Browning  
Bryan  
Buchanan, Ill.  
Burke, Pa.  
Burke, S. Dak.  
Burke, Wis.  
Butler  
Calder  
Callaway  
Campbell  
Cantor  
Cary  
Casey  
Chandler, N. Y.  
Church  
Clancy  
Connelly, Kans.  
Connolly, Iowa  
Conry  
Copley  
Cramton  
Cresser  
Davenport  
Decker  
Detrick  
Dies  
Donohoe  
Doolittle  
Doughton  
Driscoll  
Elder  
Estopinal  
Ferris

Fess  
Fields  
FitzHenry  
Fordney  
Fowler  
Francis  
Frear  
French  
Gallagher  
Gallivan  
Gard  
Garner  
George  
Gerry  
Gillett  
Gittins  
Goldfogle  
Good  
Gordon  
Gorman  
Graham, Ill.  
Green, Iowa  
Gregg  
Gudger  
Guernsey  
Hamill  
Hamilton, Mich.  
Hammond  
Harris  
Harrison  
Hart  
Hayes  
Helgesen  
Hill  
Hinebaugh  
Hobson  
Howell  
Hoxworth  
Hughes, W. Va.  
Hullings  
Igoe  
Johnson, Wash.  
Jones  
Kahn  
Kelster  
Kelley, Mich.  
Kelly, Pa.  
Kent  
Kettner  
Key, Ohio  
Kless, Pa.

Knowland, J. R.  
Konop  
Kreider  
Lafferty  
Langley  
Lee, Pa.  
LeEngle  
Lenroot  
Leshar  
Lewis, Md.  
Lewis, Pa.  
Lindbergh  
Lindquist  
Linthicum  
Loft  
Logue  
Lonergan  
McAndrews  
McClellan  
McGuire, Okla.  
McKenzie  
McLaughlin  
MacDonald  
Madden  
Maher  
Manahan  
Martin  
Merritt  
Mitchell  
Mondell  
Montague  
Moon  
Moss, Ind.  
Moss, W. Va.  
Mulkey  
Murdock  
Neeley, Kans.  
Neely, W. Va.  
Nolan, J. I.  
Norton  
Oglesby  
O'Hair  
O'Leary  
O'Shaunessy  
Paige, Mass.  
Palmer  
Peters  
Peterson  
Powers  
Reed  
Reilly, Wis.

Roberts, Mass.  
Roberts, Nev.  
Rogers  
Rothermel  
Russell  
Sabath  
Scully  
Seldomridge  
Sells  
Shackleford  
Shreve  
Slomp  
Sloan  
Smith, Idaho  
Smith, J. M. C.  
Smith, Md.  
Smith, Minn.  
Smith, N. Y.  
Sparkman  
Stephens, Cal.  
Stephens, Nebr.  
Stevens, Minn.  
Stevens, N. H.  
Stringer  
Summers  
Sutherland  
Switzer  
Taggart  
Talbot, Md.  
Talcott, N. Y.  
Taylor, N. Y.  
Temple  
Ten Eyck  
Thacher  
Thomas  
Towner  
Treadway  
Underwood  
Vaughan  
Vollmer  
Volstead  
Walters  
Watkins  
Weaver  
Williams  
Willis  
Wilson, N. Y.  
Woodruff  
Young, N. Dak.

So the Hardwick amendment as amended was rejected.



The Clerk announced the following additional pairs:

On the vote:

Mr. GUDGER (for amendment) with Mr. YOUNG of North Dakota (against).

Mr. FERRIS (for amendment) with Mr. BORLAND (against).

Mr. DAVENPORT (for amendment) with Mr. COADY (against).

Mr. HARRISON (for amendment) with Mr. KINKEAD of New Jersey (against).

Mr. RUSSELL (for amendment) with Mr. WHITACRE (against).

Mr. DOUGHTON (for amendment) with Mr. HAMLIN (against).

Mr. WATKINS (for amendment) with Mr. BUTLER (against).

Mr. ESTOPINAL (for amendment) with Mr. RUCKER (against).

Mr. FAISON (for amendment) with Mr. HENSLEY (against).

For the session:

Mr. UNDERWOOD with Mr. MANN.

Mr. MANN. Mr. Speaker, I think the gentleman from Alabama, Mr. UNDERWOOD, has not come in. He is not recorded, is he?

The SPEAKER pro tempore (Mr. HOUSTON). No.

Mr. MANN. I am paired with him. I voted "nay." I withdraw my vote and ask to be recorded as "present."

The SPEAKER pro tempore. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. MANN, and he answered "Present."

Mr. HENSLEY. Mr. Speaker, how am I recorded?

The SPEAKER pro tempore. The gentleman is recorded as voting "nay."

Mr. HENSLEY. I withdraw that vote, as I am paired with Mr. FAISON, who is sick, and I wish to vote "present."

The SPEAKER pro tempore. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. HENSLEY, and he answered "Present."

Mr. HAMLIN. Mr. Speaker, I discover that I am paired with the gentleman from North Carolina, Mr. DOUGHTON. I voted "nay." I desire to withdraw that vote and vote "present."

The SPEAKER pro tempore. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. HAMLIN, and he answered "Present."

Mr. KINKEAD of New Jersey. Mr. Speaker, I voted "nay," but being paired with the gentleman from Mississippi, Mr. HARRISON, I desire to change my vote and vote "present."

The SPEAKER pro tempore. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. KINKEAD of New Jersey, and he answered "Present."

Mr. BOOHER. Mr. Speaker, I desire to change my vote from "nay" to "present."

The SPEAKER pro tempore. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. BOOHER, and he answered "Present."

Mr. RUCKER. Mr. Speaker, how am I recorded?

The SPEAKER pro tempore. The gentleman is recorded in the negative.

Mr. RUCKER. I understand the gentleman from Alabama [Mr. HEFLIN] has arranged a pair for me with Gen. ESTOPINAL, of Louisiana, who can not be here. I desire to withdraw my vote and vote "present."

The SPEAKER pro tempore. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. RUCKER, and he answered "Present."

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present, and the Doorkeeper will open the doors.

Mr. MANN. Mr. Speaker, I move to reconsider the vote.

Mr. CRISP rose.

The SPEAKER. For what purpose does the gentleman from Georgia rise?

Mr. CRISP. I enter a motion to reconsider the vote by which the House agreed to the committee amendment striking out section 2 of this bill.

Mr. MANN. I move to reconsider the last vote, Mr. Speaker; and ask to have that motion laid on the table.

The SPEAKER. What motion was it?

Mr. MANN. I move to reconsider the last vote and lay that on the table.

The SPEAKER. Is there objection?

Mr. WINGO. I object, Mr. Speaker, and ask for a division of the two questions.

The SPEAKER. What is it?

Mr. WINGO. I demand a separate vote on each proposition, to reconsider and lay on the table. I am entitled to a division.

Mr. MANN. There is no separate proposition about it. I moved to reconsider and lay that on the table. The question is on laying it on the table.

The SPEAKER. The question is on reconsidering the vote by which the Hardwick amendment was rejected and laying that motion on the table.

Mr. CRISP. The question is on laying on the table the motion to reconsider.

The SPEAKER. Yes; to lay the motion to reconsider on the table. Those in favor of tabling the motion to reconsider will vote "aye." Those opposed will vote "no."

The question was taken, and the Speaker announced that the yeas seemed to have it.

Mr. MANN. Mr. Speaker, I will ask for the yeas and nays. If you gentlemen over there are going to filibuster, let us do it. We gave you your chance, and you are not playing fair on it. I ask for the yeas and nays.

The SPEAKER. The gentleman from Illinois [Mr. MANN] demands the yeas and nays. Those in favor of taking the vote by yeas and nays will rise and stand until they are counted. [After counting.] Evidently a sufficient number, and the Clerk will call the roll. Those in favor of tabling the motion to reconsider will, when their names are called, answer "yea," those opposed will answer "nay."

Mr. MANN. Mr. Speaker, I think the Speaker did not state the question correctly. I understood the Speaker to say that the question was on the motion to reconsider.

The SPEAKER. No; the Chair said it was on the motion to table the motion to reconsider. Those in favor of tabling the motion to reconsider will, when their names are called, answer "yea," those opposed will answer "nay."

Mr. HENRY. Mr. Speaker, there is some confusion about the motion. Is the motion to table the Hardwick amendment, or is it the State bank amendment? I understand it is the Hardwick amendment.

The SPEAKER. It is the Hardwick amendment.

Mr. SHERLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SHERLEY. Under the rule, we were operating in the House as in Committee of the Whole, and we had up various amendments.

The SPEAKER. Yes.

Mr. SHERLEY. They were acted upon. Now, is it in order to reconsider the vote on those amendments? If we had been in Committee of the Whole—we were acting as though we were in Committee of the Whole—it would not have been in order, and the question could only have come up when the bill came up on its final passage or when the vote was in the House. Now, I make the inquiry of the Chair if it is in order now to reconsider, inasmuch as we are acting as if we were in the Committee of the Whole?

Mr. BARTLETT. But, Mr. Speaker, just a moment. While it is true that we are acting in Committee of the Whole, yet the rules of the House obtain and not the rules of the Committee of the Whole. For instance, we have already had the yeas and nays, which we could not have had in the committee; and we can order the previous question, which we could not do in the Committee of the Whole. So while we are proceeding as in Committee of the Whole under the five-minute rule the rules of the House apply. I suggest that the point of order of my friend from Kentucky is not well taken.

Mr. SHERLEY. I have not made any point of order. I have made a parliamentary inquiry.

The SPEAKER. Does the gentleman from Kentucky wish to be heard any further?

Mr. SHERLEY. No; I simply desire the ruling of the Chair. I made a parliamentary inquiry. I shall be glad to have the Chair answer it.

The SPEAKER. When the House is acting as in Committee of the Whole in the House the rules of the House apply. That was the reason the Chair ruled about half an hour ago that the gentleman from Georgia [Mr. BARTLETT] could withdraw his amendment. The question is on tabling the motion to reconsider the vote by which the House rejected the Hardwick amendment.

The question was taken; and there were—yeas 119, nays 89, answered "present" 11, not voting 209, as follows:

#### YEAS—119.

Alexander	Brumbaugh	Curry	Doelling
Ashbrook	Bulkley	Dale	Doremus
Bailey	Burgess	Danforth	Drukker
Barchfield	Carew	Davis	Dunn
Barnhart	Claypool	Dershem	Egan
Barton	Cline	Dickinson	Edmonds
Beakes	Coady	Difenderfer	Esch
Borchers	Cooper	Dillon	Fairchild
Brodbeck	Cox	Dixon	Farr
Bruckner	Cullop	Donovan	Fitzgerald



Gardner	Kennedy, Conn.	Parker	Sherwood
Gilmore	Kennedy, Iowa	Patten, N. Y.	Sinnott
Glass	Kinder	Patton, Pa.	Slayden
Goulden	Kinkaid, Nebr.	Payne	Smith, Saml. W.
Graham, Pa.	Korbly	Phelan	Stafford
Gray	Langham	Platt	Stanley
Greene, Mass.	Lieb	Plumley	Steenerson
Greene, Vt.	Lloyd	Porter	Stone
Griest	Lobeck	Post	Tavener
Griffin	McGillicuddy	Pronty	Taylor, Colo.
Hamilton, N. Y.	Maguire, Nebr.	Rainey	Thomson, Ill.
Hamlin	Mahan	Raker	Townsend
Haugen	Mapes	Rauch	Tuttle
Hawley	Metz	Reilly, Conn.	Underhill
Hay	Miller	Riordan	Vare
Helm	Moore	Rucker	Wallin
Hinds	Morin	Rupley	Walsh
Holland	Morrison	Scott	Winslow
Humphrey, Wash.	Mott	Sherley	Woods
Johnson, Utah	O'Brien		

## NAYS—89.

Abercrombie	Dupré	Jacoway	Sims
Adamson	Eagle	Johnson, Ky.	Sisson
Aiken	Edwards	Johnson, S. C.	Small
Aswell	Evans	Keating	Smith, Tex.
Austin	Falconer	Kirkpatrick	Sparkman
Barkley	Finley	La Follette	Stedman
Bartlett	Flood, Va.	Lazaro	Stephens, Miss.
Bell, Ga.	Floyd, Ark.	Lee, Ga.	Stephens, Tex.
Blackmon	Garrett, Tenn.	Lever	Stout
Brockson	Garrett, Tex.	McKellar	Taylor, Ark.
Broussard	Godwin, N. C.	Moon	Thompson, Okla.
Buchanan, Tex.	Goeke	Morgan, La.	Tribble
Burnett	Goodwin, Ark.	Morgan, Okla.	Vaughan
Byrnes, S. C.	Hardwick	Murray	Walker
Byrns, Tenn.	Hardy	Oldfield	Watson
Candler, Miss.	Hayden	Padgett	Webb
Cantrill	Heflin	Page, N. C.	Whaley
Caraway	Henry	Park	Wingo
Carlin	Houston	Pou	Witherspoon
Carter	Howard	Quin	Young, Tex.
Collier	Hughes, Ga.	Rayburn	
Crisp	Hull	Rouse	
Dent	Humphreys, Miss.	Saunders	

## ANSWERED "PRESENT"—11.

Ainey	Fergusson	Hensley	Taylor, Ala.
Booher	Foster	Kinkead, N. J.	Whitacre
Clark, Fla.	Gill	Mann	

## NOT VOTING—209.

Adair	Fess	Kitchin	Reilly, Wis.
Allen	Fields	Knowland, J. R.	Roberts, Mass.
Anderson	FitzHenry	Konop	Roberts, Nev.
Ansberry	Fordney	Kreider	Rogers
Anthony	Fowler	Lafferty	Rothermel
Avis	Francis	Langley	Russell
Baker	Frear	Lee, Pa.	Sabath
Baltz	French	L'Engle	Scully
Bartholdt	Gallagher	Lenroot	Seldomridge
Bathrick	Gallivan	Leshar	Sells
Beall, Tex.	Gard	Levy	Shackelford
Bell, Cal.	Garner	Lewis, Md.	Shreve
Borland	George	Lewis, Pa.	Slemp
Rowdle	Gerry	Lindburgh	Sloan
Britten	Gillett	Lindquist	Smith, Idaho
Brown, N. Y.	Glittins	Linthicum	Smith, J. M. C.
Brown, W. Va.	Goldfogle	Loft	Smith, Md.
Browne, Wis.	Good	Logue	Smith, Minn.
Browning	Gordon	Loneragan	Smith, N. Y.
Bryan	Gorman	McAndrews	Stephens, Cal.
Buchanan, Ill.	Graham, Ill.	McClellan	Stephens, Nebr.
Burke, Pa.	Green, Iowa	McGuire, Okla.	Stevens, Minn.
Burke, S. Dak.	Gregg	McKenzie	Stevens, N. H.
Burke, Wis.	Gudger	McLaughlin	Stringer
Butler	Guernsey	MacDonald	Summers
Caldar	Hamill	Madden	Sutherland
Callaway	Hamilton, Mich.	Maher	Switzer
Campbell	Hammond	Manahan	Taggart
Cantor	Harris	Martin	Talbot, Md.
Carr	Harrison	Merritt	Talcott, N. Y.
Cary	Hart	Mitchell	Taylor, N. Y.
Casey	Hayes	Mondell	Temple
Chandler, N. Y.	Helgesen	Montague	Ten Eyck
Church	Helvering	Moss, Ind.	Thacher
Clancy	Hill	Moss, W. Va.	Thomas
Connelly, Kans.	Hinebaugh	Mulkey	Towner
Connolly, Iowa	Hobson	Murdock	Treadway
Conry	Howell	Neeley, Kans.	Underwood
Copley	Hoxworth	Neely, W. Va.	Vollmer
Cramton	Hughes, W. Va.	Nelson	Volstead
Crosser	Hulings	Nolan, J. I.	Walters
Davenport	Igoe	Norton	Watkins
Decker	Johnson, Wash.	Oglesby	Weaver
Deitrick	Jones	O'Hair	White
Dies	Kahn	O'Leary	Williams
Donohoe	Keister	O'Shaunessy	Willis
Doollittle	Kelley, Mich.	Palge, Mass.	Wilson, Fla.
Doughton	Kelly, Pa.	Palmer	Wilson, N. Y.
Driscoll	Kennedy, R. I.	Peters	Woodruff
Elder	Kent	Peterson	Young, N. Dak.
Estopinal	Kettner	Powers	
Faison	Key, Ohio	Ragsdale	
Ferris	Kless, Pa.	Reed	

So the motion to lay on the table the motion to reconsider was agreed to.

The Clerk announced the following additional pairs:

Until further notice:

Mr. TAYLOR of Alabama with Mr. HUGHES of West Virginia.

On this vote:

Mr. YOUNG of North Dakota (for) with Mr. GUDGER (against).

Mr. BORLAND (for) with Mr. FERRIS (against).  
Mr. COADY (for) with Mr. DAVENPORT (against).  
Mr. KINKEAD of New Jersey (for) with Mr. HARRISON (against).

Mr. WHITACRE (for) with Mr. RUSSELL (against).

Mr. BUTLER (for) with Mr. WATKINS (against).

Mr. RUCKER (for) with Mr. ESTOPINAL (against).

Mr. FAISON (against) with Mr. HENSLEY (for).

Mr. MANN. Mr. Speaker, I am paired with the gentleman from Alabama, Mr. UNDERWOOD, who is in conference on the war-tax bill, and who I presume has not voted. I desire to withdraw my vote of "yea" and answer "present."

The SPEAKER. The Clerk will call the name of the gentleman from Illinois.

The Clerk called the name of Mr. MANN, and he answered "Present."

The result of the vote was announced as above recorded.

Mr. BULKLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BULKLEY. Mr. Speaker, is the motion of the gentleman from Georgia to reconsider the vote by which the so-called Smith amendment was rejected still pending?

Mr. CRISP. If not, I will enter the motion now.

Mr. BULKLEY. I desire to move to lay that motion on the table.

Mr. MANN. Let the gentleman make his motion now.

Mr. CRISP. Mr. Speaker, I move to reconsider the vote by which the House agreed to the amendment of the Committee on Banking and Currency striking from the Senate bill section 2 as it passed the Senate, which authorized State banks to participate under the Aldrich Act.

Mr. BULKLEY. Mr. Speaker, I move to lay that motion on the table.

Mr. BARTLETT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BARTLETT. That motion is not debatable.

The SPEAKER. It is not debatable. The question is on tabling the motion to reconsider the vote by which the committee amendment striking out section 2 was agreed to.

The question was taken; and on a division (demanded by Mr. BULKLEY) there were—ayes 77, noes 48.

Mr. THOMPSON of Oklahoma. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. MANN. Mr. Speaker, will the gentleman withhold that point for a moment until I submit a request for unanimous consent?

Mr. THOMPSON of Oklahoma. Yes.

Mr. MANN. Mr. Speaker, under the circumstances, in the absence of the gentleman from Alabama [Mr. UNDERWOOD], I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 10 o'clock to-morrow morning—

Mr. RAGSDALE. Mr. Speaker, I object.

Mr. MANN. And that when the House meets to-morrow morning it shall be in order to consider the conference report on the war-tax bill, if it has not theretofore been disposed of. I see the gentleman from Illinois [Mr. RAINEY] has just come into the Chamber, and he can perhaps give us some information respecting it.

Mr. RAINEY. Mr. Speaker, I have just come from the conference. An agreement will be reached probably not in time to print it in the Record to-night under the rules. Therefore, I hope the request of the gentleman from Illinois will be granted.

Mr. MANN. Mr. Speaker, I will ask the gentleman to make the request himself, instead of my making it.

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that the conference report be considered at 10 o'clock to-morrow morning—

Mr. RAGSDALE. Mr. Speaker, I object.

Mr. MANN. Mr. Speaker, will not the gentleman from South Carolina reserve his objection for a moment?

Mr. RAGSDALE. Certainly.

Mr. MANN. Mr. Speaker, I did everything within my power to give the cotton people a chance for a vote upon the amendment that was presented, and it was stated, not by everybody, of course, that if a vote could be had upon the cotton amendment, gentlemen would not seek to further delay action on the war-tax bill. I think, in good faith to the House, although the gentleman himself was not consulted, that he ought to be willing to let the House act upon the bill. I will say frankly that the Republican side of the House probably will not be represented here after to-morrow night to any very great extent. I think that no one Member of the House ought to stand in the way of the convenience of the great mass of membership of the House, and although I am very frequently tempted to do so, yet I do not yield to that temptation.



Mr. RAINEY. Mr. Speaker, I hope the gentleman will not insist upon his objection. On both sides of the House, from all over the North, we are holding men here who are anxious to get back in order that they may have a week's work in their campaigns for election.

Of course, all over the South it is not as important, because the contests of the southern Members are over; but we have given to the Members of this House from the South an opportunity to make their record on the cotton question and we have held a quorum here this long for that purpose, and the gentleman is doing a great injustice, a great unkindness, to all the Members in the North on either side, and will not advance his cause in the least, I do not think.

Mr. RAGSDALE. Mr. Speaker, not as a matter of justice, but as a matter of generosity, I am perfectly willing to withdraw the objection. Although at this time the gentleman from Illinois is asking that northern Members be allowed to go home to take part in the election, during the few days when gentlemen from South Carolina were called to their homes to the primary it was put in the press of this country and advertised on the floor of this House that not one of us was present on the floor of this House to vote. It is a well-known fact we have no opposition in South Carolina in November. It is a well-known fact that our primaries are equivalent to election there, and yet practically the only time I have been away from this House was on account of sickness. I have been here trying to keep a quorum, and yet it has been advertised on the floor of this House and through this Union that the Representatives from South Carolina were away from here during that primary. Now, Mr. Speaker, since the gentlemen have asked us to extend them this courtesy, I will for the present withdraw the objection. [Applause.]

The SPEAKER. The gentleman from Illinois [Mr. RAINEY] asks unanimous consent that when the House adjourns to-day it adjourn to meet at 10 o'clock to-morrow, and that the conference report on the war-tax bill shall be considered at that time, the rule about printing the report in the RECORD and its going over one day to the contrary notwithstanding. Is there objection?

Mr. MANN. Mr. Speaker, I suggest to my colleague to ask unanimous consent that if the conferees have the conference report ready in time that it may be inserted in the RECORD of to-day's proceedings.

Mr. RAINEY. Mr. Speaker, I will include that, although I did not presume it would be necessary.

The SPEAKER. The gentleman further asks if the conferees should get their report ready in time to-night that it shall be printed in the RECORD without being brought back to the House. Is there objection? [After a pause.] The Chair hears none. [Applause.]

#### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed without amendment bills of the following titles:

H. R. 888. An act for the relief of H. C. Hodges, H. A. Powell, John Smith, and Joseph Ridley;

H. R. 1781. An act providing for the refund of certain duties incorrectly collected on wild celery seed;

H. R. 4318. An act to authorize the Secretary of the Interior to cause patent to issue to Erik J. Aanrud upon his homestead entry for the southeast quarter of the northeast quarter of section 15, township 159 north, range 73 west, in the Devils Lake land district, North Dakota;

H. R. 4651. An act to authorize the Secretary of the Treasury to sell certain land to the trustees of the charity fund of Star in the East Lodge, of Old Town, Me.;

H. R. 5474. An act for the relief of Patrick McGee, alias Patrick Gallagher;

H. R. 7078. An act for the relief of Mary Macon Howard;

H. R. 8562. An act for the relief of Kinder & Nicol;

H. R. 10763. An act for the relief of Dr. L. W. Culbreath;

H. R. 11840. An act for the relief of R. G. Arrington;

H. R. 14377. An act to amend section 4472 of the Revised Statutes.

H. R. 16296. An act to provide for issuing of patents for public lands claimed under the homestead laws by deserted wives;

H. R. 16346. An act to amend section 4131 of the Revised Statutes of the United States of America as amended by the act of Congress approved May 28, 1896, relating to the renewal of licenses;

H. R. 17267. An act to authorize Frank H. Gardiner to construct a bridge across the waters of Pistakee Lake and Nipper-sink Lake at or near their point of intersection;

H. R. 17825. An act to authorize the construction, maintenance, and operation of a bridge across the St. Francis River at or near St. Francis, Ark.;

H. J. Res. 271. Joint resolution authorizing the President to appoint delegates to attend the Ninth International Congress of the World's Purity Federation, to be held in the city of San Francisco, State of California, July 18 to 24, 1915.;

H. J. Res. 331. Joint resolution relating to the awards and payments thereon in what are commonly known as the Plaza cases; and

H. J. Res. 375. Joint resolution correcting an error in H. R. 15692, approved July 21, 1914 (Private, No. 95).

The message also announced that the Senate had receded from its amendment to the bill (H. R. 10168) for the relief of Leon Greenbaum.

#### COTTON AND TOBACCO.

Mr. HARDWICK. Mr. Speaker—

Mr. THOMPSON of Oklahoma. Mr. Speaker, I make the point of order of no quorum present.

Mr. HARDWICK. Mr. Speaker, I desire to ask unanimous consent that all Members of the House may have five calendar days in which to print remarks on the cotton question.

Mr. THOMPSON of Oklahoma. Mr. Speaker, I renew my point of order.

Mr. HARDWICK. Will the gentleman withhold it until I can put this request?

Mr. THOMPSON of Oklahoma. I have no objection.

The SPEAKER. The gentleman from Georgia asks unanimous consent that all gentlemen who speak on the cotton question—

Mr. HARDWICK. All Members of the House.

The SPEAKER. That all Members of the House shall have five legislative days in which to extend their remarks on the cotton question.

Mr. MANN. Mr. Speaker, reserving the right to object. I wish to amend that by asking that all Members of the House have leave to print for five calendar days.

Mr. FITZGERALD. On what?

Mr. MANN. On the gentleman from New York, if they desire to do so.

Mr. KEATING. Mr. Speaker, I object.

Mr. MANN. I will be more generous and fairer than—

Mr. KEATING. Mr. Speaker, when I want lessons in generosity and fairness I will not appeal to the gentleman from Illinois.

Mr. MANN. Because the gentleman would not take them.

The SPEAKER. The gentleman from Georgia [Mr. HARDWICK] asks unanimous consent that all gentlemen have five legislative days in which to print remarks in reference to cotton.

Mr. HARDWICK. Calendar days.

The SPEAKER. Calendar days. Is there objection? [After a pause.] The Chair hears none.

Mr. HUMPHREYS of Mississippi. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing two articles from the Waterways Journal.

The SPEAKER. The gentleman from Mississippi [Mr. HUMPHREYS] asks unanimous consent to extend his remarks in the RECORD by printing two articles from the Waterways Journal. Is there objection? [After a pause.] The Chair hears none.

Mr. GOULDEN. Mr. Speaker—

Mr. GLASS. Mr. Speaker—

The SPEAKER. The gentleman from Virginia [Mr. GLASS] is recognized.

Mr. GLASS. A parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GLASS. I want to know what has become of the legislation of the House?

The SPEAKER. It is suspended temporarily. The gentleman from Oklahoma [Mr. THOMPSON]—

Mr. THOMPSON of Oklahoma. I make the point of no quorum.

The SPEAKER. The Chair will count.

Mr. WINGO. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. WINGO. The point of no quorum was made before the result was announced on the motion to reconsider. On that vote it was disclosed there was not a quorum present.

The SPEAKER. That does not settle anything. It was not a roll call. The Chair will count to see if there is a quorum present. [After counting.] One hundred and fifty gentlemen are present—not a quorum.

Mr. WINGO. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. WINGO. I possibly did not state my inquiry correctly a while ago. Is not the situation this, that the Chair had announced that the yeas were 77 and the noes 48 on the motion of the gentleman from Ohio to table the motion of the gentleman from Georgia [Mr. CRISP], and at that moment the gentleman from Oklahoma [Mr. THOMPSON] made the point of no quorum for the purpose of getting a record vote on that motion? At that time he agreed to temporarily withhold it for these unanimous-consent requests.

Mr. MANN. I think that is correct.

Mr. WINGO. Does not the vote now occur not simply as a "present" vote, but upon the motion of the gentleman from Ohio [Mr. BULKLEY] to table the motion of the gentleman from Georgia [Mr. CRISP]?

The SPEAKER. That is true; but it turned out there was not a quorum here.

Mr. WINGO. The question I am asking now is, inasmuch as no quorum was disclosed on that division, does not a call of the House follow automatically?

The SPEAKER. I know; but the gentleman from Oklahoma [Mr. THOMPSON] made the point of no quorum, and the Chair counted and found 157 Members present.

Mr. CRISP. Mr. Speaker, then the call of the House orders the yeas and nays on this question, and the doors have to be closed, and the vote is taken on the question of laying on the table the motion to reconsider made by myself.

Mr. WINGO. That was the inquiry, Mr. Speaker, that I desired to make.

Mr. MANN. Mr. Speaker, the vote comes on the question to table.

Mr. SAUNDERS. Mr. Speaker, I was going to say that the count of the Chair in that respect was superfluous, because a vote of the House had already indicated there was not a quorum present on the division.

Mr. MANN. That does not make any difference.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll on the motion of the gentleman from Ohio [Mr. BULKLEY] to table the motion of the gentleman from Georgia [Mr. CRISP] to reconsider the committee amendment to which he referred and relating to the cutting out of State banks. Those in favor of tabling the motion will vote "yea" and those opposed will vote "nay," and the Clerk will call the roll.

The question was taken; and there were—yeas 121, nays 87, answered "present" 7, not voting 214, as follows:

## YEAS—121.

Alexander	Drukker	Kennedy, Iowa	Rainey
Ashbrook	Dunn	Kindel	Raker
Bailey	Eagan	Kinkaid, Nebr.	Rauch
Barchfeld	Edmonds	Kinkaid, N. J.	Reilly, Conn.
Barnhart	Esch	Korbly	Riordan
Barton	Fairchild	La Follette	Rubey
Beakes	Farr	Lasher	Rucker
Borchers	Fitzgerald	Levy	Rupley
Brodbeck	Gardner	Lieb	Scott
Brown, W. Va.	Gilmore	Lloyd	Sherley
Buckner	Glass	Lobeck	Sherwood
Brumbaugh	Goulden	McGillcuddy	Sinott
Bulkley	Graham, Pa.	Maguire, Nebr.	Smith, Saml. W.
Burgess	Gray	Mahan	Stafford
Carew	Greene, Mass.	Mann	Stanley
Cline	Greene, Vt.	Mapes	Steenerson
Coady	Griest	Moore	Stone
Cooper	Griffin	Morrin	Tavener
Cox	Hamilton, N. Y.	Morrison	Taylor, Colo.
Cullop	Hamlin	Mott	Taylor, N. Y.
Curry	Haugen	O'Brien	Thomson, Ill.
Dale	Hawley	Padgett	Underhill
Danforth	Hay	Parker	Walton
Davis	Helm	Patten, N. Y.	Walsh
Dershem	Hensley	Payton, Pa.	Whitacre
Dickinson	Hinds	Payne	White
Difenderfer	Holland	Peban	Winslow
Dillon	Humphrey, Wash.	Platt	Woods
Dixon	Humphreys, Miss.	Plumley	
Donovan	Johnson, Utah	Porter	
Dooling	Kennedy, Conn.	Post	

## NAYS—87.

Abercrombie	Cantrill	Goodwin, Ark.	Lever
Adamson	Caraway	Hardwick	McKellar
Aiken	Collier	Hardy	Moon
Aswell	Crisp	Hoffin	Morgan, La.
Austin	Dent	Henry	Morgan, Okla.
Barkley	Dupré	Houston	Murray
Bartlett	Eagle	Howard	Pace, N. C.
Bell, Ga.	Edwards	Hughes, Ga.	Park
Blackmon	Evans	Hull	Pon
Bocher	Falconer	Jacoway	Quin
Brockson	Finley	Johnson, Ky.	Ragsdale
Broussard	Flood, Va.	Johnson, S. C.	Rayburn
Buchanan, Tex.	Floyd, Ark.	Keating	Rouse
Burnett	Garrett, Tenn.	Kirkpatrick	Saunders
Byrnes, S. C.	Garrett, Tex.	Kitchin	Sims
Byrns, Tenn.	Godwin, N. C.	Lazaro	Sisson
Candler, Miss.	Goeke	Lee, Ga.	Small

Smith, Tex.  
Sparkman  
Stedman  
Stephens, Miss.  
Stephens, Tex.

Stout  
Taylor, Ark.  
Thompson, Okla.  
Tribble  
Underwood

Vaughan  
Walker  
Webb  
Whaley  
Wilson, Fla.

Wingo  
Witherspoon  
Young, Tex.  
The Speaker

## ANSWERED "PRESENT"—7.

Ainey  
Carter

Fergusson  
Foster

Gill  
Key, Ohio

Taylor, Ala.

## NOT VOTING—214.

Adair  
Allen  
Anderson  
Ansberry  
Anthony  
Avis  
Baker  
Baltz  
Bartholdt  
Bathrick  
Beall, Tex.  
Bell, Cal.  
Borland  
Bowdle  
Britten  
Brown, N. Y.  
Browne, Wis.  
Browning

Falson  
Ferris  
Fess  
Fields  
FitzHenry  
Fordney  
Fowler  
Francis  
Frear  
French  
Gallagher  
Gallivan  
Gard  
Garner  
George  
Gerry  
Gillett  
Gittins

Kless, Pa.  
Knowland, J. R.  
Konop  
Kreider  
Lafferty  
Langham  
Lee, Pa.  
L'Engle  
Lenroot  
Lewis, Md.  
Lewis, Pa.  
Lindbergh  
Lindquist  
Linthicum  
Loft  
Logue  
Louergan

Reed  
Reilly, Wis.  
Roberts, Mass.  
Roberts, Nev.  
Rogers  
Rothermel  
Russell  
Sabath  
Scully  
Seldomridge  
Sells  
Shackelford  
Shreve  
Slayden  
Slomp  
Sloan  
Smith, Idaho

Bryan  
Buchanan, Ill.  
Burke, Pa.  
Burke, S. Dak.  
Burke, Wis.  
Butler  
Calder  
Callaway  
Campbell  
Cantor  
Carlin  
Carr  
Cary  
Casey  
Chandler, N. Y.  
Church  
Clancy  
Clark, Fla.  
Claypool  
Connelly, Kans.  
Connelly, Iowa  
Conry  
Copley  
Cramton  
Cresser  
Davenport  
Decker  
Deitrick  
Dies  
Donohoe  
Doolittle  
Doremus  
Doughton  
Driscoll  
Elder  
Estopinal

Good  
Gordon  
Gorman  
Graham, Ill.  
Green, Iowa  
Gregg  
Gudger  
Guernsey  
Hamill  
Hamilton, Mich.  
Hammond  
Harris  
Harrison  
Hart  
Hayden  
Hayes  
Helgesen  
Helvering  
Hill  
Hinebaugh  
Hobson  
Howell  
Hoxworth  
Hughes, W. Va.  
Hulings  
Igoe  
Johnson, Wash.  
Jones  
Kahn  
Kelster  
Kelley, Mich.  
Kelly, Pa.  
Kennedy, R. I.  
Kent  
Kettner

McAndrews  
McClellan  
McGuire, Okla.  
McKenzie  
McLaughlin  
MacDonald  
Mader  
Mannahan  
Martin  
Merritt  
Metz  
Miller  
Mitchell  
Mondell  
Montague  
Moss, Ind.  
Moss, W. Va.  
Mulkey  
Murdock  
Neely, Kans.  
Neely, W. Va.  
Nelson  
Nolan, J. I.  
Norton  
Oglesby  
O'Hair  
Oldfield  
O'Leary  
O'Shaunessy  
Paige, Mass.  
Palmer  
Peters  
Peterson  
Prouty

Smith, J. M. C.  
Smith, Md.  
Smith, Minn.  
Smith, N. Y.  
Stephens, Cal.  
Stephens, Nebr.  
Stevens, Minn.  
Stevens, N. H.  
Stringer  
Summers  
Sutherland  
Switzer  
Taggart  
Talbot, Md.  
Talcott, N. Y.  
Temple  
Ten Eyck  
Thacher  
Thomas  
Townner  
Townsend  
Treadway  
Tuttle  
Vare  
Vollmer  
Volstead  
Walters  
Watkins  
Watson  
Weaver  
Williams  
Willis  
Wilson, N. Y.  
Woodruff  
Young, N. Dak.

So the motion of Mr. BULKLEY was agreed to.

The Clerk announced the following additional pairs:

On the vote:

Mr. KINKEAD of New Jersey (for) with Mr. HARRISON (against).

Mr. WHITACRE (for) with Mr. RUSSELL (against).

Mr. BUTLER (for) with Mr. WATKINS (against).

Mr. RUCKER (for) with Mr. ESTOPINAL (against).

Mr. HENSLEY (for) with Mr. FAISON (against).

Mr. YOUNG of North Dakota (for) with Mr. GUDGER (against).

Mr. BORLAND (for) with Mr. FERRIS (against).

Mr. COADY (for) with Mr. DAVENPORT (against).

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. CLARK of Missouri, and he answered "Nay."

Before the announcement of the vote.

Mr. DENT. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The gentleman from Alabama [Mr. DENT] moves that the House do now adjourn. The question is on agreeing to that motion.

The question was taken, and the Speaker announced that the yeas seemed to have it.

Mr. BULKLEY. A division, Mr. Speaker.

The SPEAKER. A division is demanded. Those in favor of adjourning will rise and stand until they are counted. [After counting.] Fifty-eight gentlemen have arisen in the affirmative. Those opposed will rise and stand until they are counted. [After counting.] Fifty-three gentlemen have arisen in the negative. On this vote the yeas are 58 and the noes are 53.

Mr. LEVY. The yeas and nays, Mr. Speaker.

Mr. BULKLEY. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The gentleman from Ohio [Mr. BULKLEY] demands the yeas and nays.

Mr. BULKLEY. Mr. Speaker, I ask for tellers.



The SPEAKER. The gentleman from Ohio asks for tellers. Those in favor of ordering tellers will rise and stand until they are counted. [After counting.] Thirty-five gentlemen have risen in the affirmative—not a sufficient number.

Mr. BULKLEY. I demand the yeas and nays, Mr. Speaker.

The SPEAKER. The gentleman from Ohio demands the yeas and nays. Those in favor of ordering the yeas and nays will rise and stand until they are counted. [After counting.] Twenty-five gentlemen have risen in the affirmative. Those opposed to taking the vote by yeas and nays will rise and stand until they are counted. [After counting.] Ninety-one gentlemen have risen in the negative. Twenty-five is a sufficient number, and the yeas and nays are ordered. Those in favor of adjourning will, when their names are called, answer "yea," those opposed will answer "nay."

The question was taken; and there were—yeas 77, nays 108, answered "present" 4, not voting 239, as follows:

## YEAS—77.

Adamson	Fairchild	Johnson, Utah	Rayburn
Ashbrook	Fergusson	Kennedy, Iowa	Scott
Barchfield	Flood, Va.	Kinkaid, Nebr.	Sherwood
Bartlett	Garrett, Tenn.	Kirkpatrick	Sinnot
Barton	Godwin, N. C.	La Follette	Sisson
Blackmon	Goeke	Lobeck	Smith, Saml. W.
Borchers	Graham, Pa.	McKellar	Stafford
Brown, W. Va.	Greene, Mass.	Mapes	Steenerson
Brumbaugh	Greene, Vt.	Miller	Thompson, Okla.
Caraway	Griest	Montague	Thomson, Ill.
Cooper	Hamilton, N. Y.	Moore	Tuttle
Curry	Hardwick	Morin	Vaughan
Davis	Haugen	Mott	Wallin
Dent	Hawley	Page, N. C.	White
Dillon	Henry	Parker	Winslow
Drukker	Hensley	Payne	Woods
Dunn	Hinds	Plumley	Young, Tex.
Eagle	Hughes, Ga.	Prouty	
Edmonds	Hull	Quinn	
Esch	Humphrey, Wash.	Ragsdale	

## NAYS—108.

Abercrombie	Cullop	Keating	Rauch
Aiken	Dale	Kennedy, Conn.	Reilly, Conn.
Alexander	Difenderfer	Key, Ohio	Riordan
Aswell	Dixon	Kinkaid, N. J.	Rouse
Bailey	Donovan	Korby	Rubey
Barkley	Doelling	Lazaro	Rupley
Barthart	Doremus	Lee, Ga.	Saunders
Beakes	Dupré	Leshner	Sherley
Bell, Ga.	Egan	Lever	Small
Brockson	Edwards	Levy	Smith, Tex.
Brodbeck	Farr	Lieb	Sparkman
Broussard	Fitzgerald	Lloyd	Stanley
Bruckner	Floyd, Ark.	McGillicuddy	Stephens, Miss.
Buchanan, Tex.	Garrett, Tex.	Maguire, Nebr.	Stephens, Tex.
Bulkley	Gilmore	Moon	Stoue
Burgess	Glass	Morgan, La.	Tavener
Burnett	Goodwin, Ark.	Morgan, Okla.	Taylor, Ark.
Byrnes, S. C.	Goulden	Morrison	Taylor, N. Y.
Byrns, Tenn.	Gray	Murray	Townsend
Candler, Miss.	Griffin	O'Brien	Tribble
Cantrill	Hardy	Park	Underhill
Carew	Hayden	Patten, N. Y.	Walker
Carlin	Heflin	Phelan	Walsh
Coady	Holland	Platt	Whaley
Collier	Houston	Post	Whitacre
Cox	Jacoway	Rainey	Wilson, Fla.
Crisp	Johnson, Ky.	Raker	Wingo

## ANSWERED "PRESENT"—4.

Ainey	Foster	Mann	Pou
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## NOT VOTING—239.

Adair	Clark, Fla.	Gard	Humphreys, Miss.
Allen	Claypool	Gardner	Igoe
Anderson	Cline	Garner	Johnson, S. C.
Ansberry	Connolly, Kans.	George	Johnson, Wash.
Anthony	Connolly, Iowa	Gerry	Jones
Austin	Conry	Gill	Kahn
Avis	Copley	Gillett	Keister
Baker	Cramton	Gittins	Kelley, Mich.
Baltz	Crosser	Goldfogle	Kelly, Pa.
Bartholdt	Danforth	Good	Kennedy, R. I.
Barthrick	Davenport	Gordon	Kent
Beall, Tex.	Decker	Gorman	Kettner
Bell, Cal.	Deltrick	Graham, Ill.	Kless, Pa.
Bocher	Dershem	Green, Iowa	Kindel
Borland	Dickinson	Gregg	Kitchin
Bowdle	Dies	Gudger	Knowland, J. R.
Britten	Donohoe	Guernsey	Konop
Brown, N. Y.	Doollittle	Hamill	Kreider
Browne, Wis.	Doughton	Hamilton, Mich.	Lafferty
Browning	Driscoll	Hamlin	Langham
Bryan	Elder	Hammond	Langley
Buchanan, Ill.	Estopinal	Harris	Lee, Pa.
Burke, Pa.	Evans	Harrison	L'Engle
Burton	Faison	Hart	Lenroot
Burke, Wis.	Falconer	Hay	Lewis, Md.
Butler	Ferris	Hayes	Lewis, Pa.
Calder	Fess	Helgesen	Lindbergh
Callaway	Fields	Helm	Lindquist
Campbell	Finley	Helvering	Lithicum
Cantor	FitzHenry	Hill	Loft
Carr	Fordney	Hinebaugh	Logne
Carter	Holson	Holman	Loneragan
Cary	Francis	Howard	McAndrews
Casey	Frear	Howell	McClellan
Chandler, N. Y.	French	Hoxworth	McGaire, Okla.
Church	Gallagher	Hughes, W. Va.	McKenzie
Clancy	Gallivan	Hullings	McLaughlin

MacDonald	O'Shaunessy	Sims	Taylor, Colo.
Madden	Padgett	Slayden	Temple
Mahan	Paige, Mass.	Slomp	Ten Eyck
Maher	Palmer	Sloan	Thacher
Manahan	Patton, Pa.	Smith, Idaho	Thomas
Martin	Peters	Smith, J. M. C.	Towner
Merritt	Peterson	Smith, Md.	Treadway
Metz	Porter	Smith, Minn.	Underwood
Mitchell	Powers	Smith, N. Y.	Vare
Mondell	Reed	Stedman	Volmer
Moss, Ind.	Reilly, Wis.	Stephens, Cal.	Volstead
Moss, W. Va.	Roberts, Mass.	Stephens, Nebr.	Walters
Mulkey	Roberts, Nev.	Stevens, Minn.	Watkins
Murdock	Rogers	Stevens, N. H.	Watson
Neeley, Kans.	Rothermel	Stout	Weaver
Neeley, W. Va.	Rucker	Stringer	Webb
Nelson	Russell	Summers	Wilfams
Nolan, J. I.	Sabath	Sutherland	Willis
Norton	Scully	Switzer	Wilson, N. Y.
Oglesby	Seldomridge	Taggart	Witherspoon
O'Hair	Sells	Talbot, Md.	Woodruff
Oldfield	Shackleford	Talcott, N. Y.	Young, N. Dak.
O'Leary	Shreve	Taylor, Ala.	

So the motion to adjourn was rejected.

Before the result of the motion to adjourn was announced, several Members requested that they be allowed to vote.

Mr. MANN. Are these gentlemen entitled to vote? They have not qualified yet.

The SPEAKER. We are operating under a call of the House.

Mr. MANN. But this is on the motion to adjourn.

The SPEAKER. The Chair understands, but we have not finished with the other call. The Chair thinks they are competent to vote, since we are under that call.

The result of the vote on the motion to adjourn was announced as above recorded.

Mr. MANN. Mr. Speaker, I suggest, possibly out of order, that several gentlemen have come in since the roll was called on the motion to lay on the table, and they are eligible to vote on that.

The SPEAKER. That is true, and if the Chair can find out who they are he will count them.

Several Members appeared and voted.

Mr. DONOVAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DONOVAN. Is it in order at this time to make a motion to adjourn?

Mr. BULKLEY. I hope the gentleman will withhold that. There will not be much opposition to the passage of the bill.

Mr. DONOVAN. We can not get a quorum.

Mr. BULKLEY. We do not need to, unless a roll call is demanded.

Mr. THOMPSON of Oklahoma. I desire to announce to the gentleman that we will need a quorum to pass this bill.

The SPEAKER. The Chair will state to the gentleman from Connecticut that there has been no business transacted since the roll was called, and we can not adjourn unless the motion is seconded by a majority of those present. The truth is that the roll call ought not to have been taken on that other motion to adjourn. The motion should have been seconded before the Chair entertained it.

Mr. DONOVAN. Would a motion be in order to reconsider the vote just taken on adjournment?

The SPEAKER. No.

Mr. DONOVAN. Does the Speaker decide that the motion to adjourn is in order if it is seconded by a majority of those present?

The SPEAKER. The Chair will read the rule. This is the new rule about calls of the House:

If those voting on the question and those who are present and decline to vote shall together make a majority of the House, the Speaker shall declare that a quorum is constituted, and the pending question shall be decided as the majority of those voting shall appear. And thereupon further proceedings under the call shall be considered as dispensed with. At any time after the roll call has been completed, the Speaker may entertain a motion to adjourn, if seconded by a majority of those present, to be ascertained by actual count by the Speaker; and if the House adjourns, all proceedings under this section shall be vacated.

Now, while the vote on the motion to adjourn was not conducted according to that rule, it did happen.

Mr. KINKEAD of New Jersey. Mr. Speaker, it is evident that it will be impossible to maintain a quorum here to-night, and therefore I ask unanimous consent that the House do now adjourn.

Mr. WINGO. I object, Mr. Speaker.

Mr. RAGSDALE. Mr. Speaker, I ask unanimous consent to take a recess until to-morrow morning at 9 o'clock.

Mr. WINGO. Mr. Speaker, I object.

Mr. THOMPSON of Illinois. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. That motion will have to be seconded by a majority of those present. All gentlemen will please take their

seats. Those who desire to second this motion to adjourn will rise and stand until they can be counted. [After counting.] Forty-nine Members have voted to second the motion to adjourn. The Chair will count to ascertain the number of Members present. [After counting.] There are 107 Members present. Less than a majority having voted to second the motion, the Chair does not put it.

Mr. MANN. Mr. Speaker, I voted "present," but as the gentleman from Alabama [Mr. UNDERWOOD], with whom I was paired, has voted, I desire to vote "aye" on the motion to table the motion to reconsider.

Mr. RAGSDALE. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The Chair just counted 49 Members seconding the motion and 107 Members present, not a sufficient number.

The result of the vote on the motion of Mr. BULKLEY to table the motion of Mr. CRISP was announced as above recorded.

A quorum being present, the doors were opened.

#### ENROLLED BILLS SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill and joint resolutions of the following titles, when the Speaker signed the same:

H. R. 5474. An act for the relief of Patrick McGee, alias Patrick Gallagher;

H. J. Res. 271. Joint resolution authorizing the President to appoint delegates to attend the Ninth International Congress of the World's Purity Federation, to be held in the city of San Francisco, State of California, July 18 to 24, 1915; and

H. J. Res. 331. Joint resolution relating to the awards and payments thereon in what are commonly known as the Plaza cases.

#### ADJOURNMENT.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the desk.

Mr. THOMPSON of Oklahoma. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. FITZGERALD. I will ask the gentleman to withhold that for a moment.

Mr. THOMPSON of Oklahoma. I will not withhold anything at all.

Mr. FITZGERALD. I make the point of order that the Speaker has just announced that a quorum was present.

Mr. THOMPSON of Oklahoma. Mr. Speaker, I demand a count.

Mr. BULKLEY. I make the point of order that the point of order of the gentleman from Oklahoma is dilatory. The Chair has just announced that a quorum is present.

The SPEAKER. That is true; but it is not dilatory. The Chair will never rule that a point of order of no quorum is dilatory, because it is a constitutional right. The gentleman makes the point, and the Chair will count. [After counting.] One hundred and twenty-one Members present.

Mr. GLASS. Mr. Speaker, I am not disposed to punish Members of the House by requiring their presence here upon bills of relief. If these gentlemen do not want the perfectly feasible relief that these bills afford, I do not care to give it to them. Therefore I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 6 o'clock and 46 minutes p. m.), in accordance with the order heretofore made, the House adjourned until to-morrow, Thursday, October 22, 1914, at 10 o'clock a. m.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. COLLIER: A bill (H. R. 19375) authorizing and directing the Secretary of War to make certain provisions for the care of the participants in the celebration of the semicentennial of the close of the War between the States and the centennial of the close of the last war between Great Britain and the United States, to be held at Vicksburg, Miss., on the 13th, 14th, 15th, and 16th days of October, 1915, and making an appropriation of a sum sufficient to carry out the provisions of this act; to the Committee on Appropriations.

By Mr. LA FOLLETTE: A bill (H. R. 19376) confirming patents heretofore issued to certain Indians in the State of Washington; to the Committee on Indian Affairs.

By Mr. LONERGAN: A bill (H. R. 19393) providing for the erection of a suitable memorial to John Fitch; to the Committee on the Library.

By Mr. WITHERSPOON: Resolution (H. Res. 657) for the consideration of certain bills; to the Committee on Rules.

By Mr. FLOOD of Virginia: Resolution (H. Res. 658) providing for the consideration of S. 5614 and S. J. Res. 191; to the Committee on Rules.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANTHONY: A bill (H. R. 19377) granting an increase of pension to William J. Ford; to the Committee on Invalid Pensions.

By Mr. BOOHER: A bill (H. R. 19378) granting a pension to John Goodwin, alias Andrew Goodwin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19379) granting an increase of pension to Martha E. Williams; to the Committee on Invalid Pensions.

By Mr. COLLIER: A bill (H. R. 19380) for the relief of Thomas H. Jett; to the Committee on War Claims.

Also, a bill (H. R. 19381) for the relief of the heirs of Harriet B. Selma, deceased; to the Committee on War Claims.

Also, a bill (H. R. 19382) for the relief of the heirs of Isaac Whitaker, deceased; to the Committee on War Claims.

By Mr. COX: A bill (H. R. 19383) granting an increase of pension to Edward T. Keithley; to the Committee on Invalid Pensions.

By Mr. DONOVAN: A bill (H. R. 19384) granting an increase of pension to Mary E. Clark; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19385) granting an increase of pension to Mary E. Root; to the Committee on Invalid Pensions.

By Mr. HELVERING: A bill (H. R. 19386) granting an increase of pension to Miles H. Alderson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19387) granting an increase of pension to Harriet Kimbrough; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19388) granting an increase of pension to Louisa C. Raridon; to the Committee on Invalid Pensions.

By Mr. KREIDER: A bill (H. R. 19389) granting an increase of pension to William Reigle; to the Committee on Invalid Pensions.

By Mr. STEPHENS of Nebraska: A bill (H. R. 19390) granting a pension to Mariah Williams Funkhouser; to the Committee on Invalid Pensions.

By Mr. BYRNS of Tennessee: A bill (H. R. 19391) granting an increase of pension to William J. Mester; to the Committee on Pensions.

By Mr. LIEB: A bill (H. R. 19392) removing the charge of desertion against John Hall; to the Committee on Military Affairs.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ASHBROOK: Petition of the Newark (Ohio) Barbers' Union, favoring passage of House bill 7880; to the Committee on the District of Columbia.

By Mr. BAILEY: Petition of Hinchman & Hahn, of Johnstown, Pa., against legislation forbidding sale by the Government of envelopes with return address stamped thereon; to the Committee on the Post Office and Post Roads.

Also, petition of J. H. Connell, of Cresson, Pa., protesting against tax on automobiles; to the Committee on Ways and Means.

By Mr. BORCHER: Petition of the First Baptist Church of Champaign, Ill., favoring national prohibition; to the Committee on Rules.

By Mr. BRUCKNER: Petition of the National Association of Life Underwriters, favoring creation of a department of health; to the Committee on the Judiciary.

By Mr. BYRNS of Tennessee: Papers to accompany bill to increase pension of William J. Mester; to the Committee on Pensions.

By Mr. COLLIER: Papers to accompany a bill for relief of heirs of Isaac Whitaker; to the Committee on War Claims.

By Mr. FESS: Petition of the Women's Home Missionary Society of the Methodist Episcopal Church of Springfield, Ohio, protesting against passage of House bill 18900; to the Committee on the District of Columbia.

By Mr. GRIEST: Petition of the Lancaster (Pa.) Leaf Tobacco Board of Trade Inspection Co., protesting against any further increase of tax on the cigar and tobacco industry; to the Committee on Ways and Means.



By Mr. HAWLEY: Memorial of the Maple Lane Local of the Farmers' Society of Equity, relative to placing an embargo upon all agricultural products against all nations now at war in Europe; to the Committee on Ways and Means.

Also, memorial of the Maple Lane Local of the Farmers' Society of Equity, relative to handling agricultural products through parcel post; to the Committee on the Post Office and Post Roads.

By Mr. McCLELLAN: Petition of 500 people of Woodstock, N. Y., favoring national prohibition; to the Committee on Ways and Means.

By Mr. MAGUIRE of Nebraska: Petitions of various business men of the first congressional district of Nebraska, favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. O'SHAUNESSY: Petition of the Woonsocket (R. I.) Business Men's Association, favoring bill to remove from protection of our patent laws goods not manufactured in the United States; to the Committee on Patents.

Also, petitions of Mrs. H. J. Roworth, C. Patton, Mary Mackie, L. H. Barton, F. A. Bliss, L. N. Lathrop, H. M. C. Kendrick, E. M. Pabodies, M. F. Humphrey, J. M. Wyole, of Rhode Island, favoring national prohibition; to the Committee on Rules.

By Mr. PARK: Petition of the board of directors of the Georgia Experiment Station, favoring legislation for relief of cotton crisis; to the Committee on Banking and Currency.

By Mr. RAKER: Petition of Appomattox Woman's Relief Corps No. 5, of Oakland, Cal., and Allcon Lodge, Order of Sons of St. George, favoring Hamill civil-service retirement bill; to the Committee on Reform in the Civil Service.

Also, petition of the International Alliance of Theatrical Stage Employees, against tax on theaters; to the Committee on Ways and Means.

Also, petition of the Twenty-fifth Annual Convention of the National Association of Life Underwriters, held at Cincinnati, Ohio, favoring establishment of a department of health; to the Committee on the Judiciary.

By Mr. REED: Petition of Hiram E. Wever, of Portsmouth, N. H., protesting against tax on automobiles; to the Committee on Ways and Means.

By Mr. RUCKER: Petition of sundry citizens of Carroll County, Mo., protesting against polygamy; to the Committee on the Judiciary.

## SENATE.

THURSDAY, October 22, 1914.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

O Lord, our God, Thy kingdom is an everlasting kingdom. Thy dominion endureth to all generations. Calamities of life, war, pestilence, famine have come because men have tried to subvert Thy purposes and stay Thine arm. But all peace and all happiness come in conforming our lives to the will of our God. We thank Thee for the assurance that Thy will for us is for our prosperity and happiness. Thou dost love us with an everlasting love. Guide us in the discharge of the duties of this life, that we may be found in conformity to Thy will and receive the blessings that Thou hast for those who love and serve Thee. We ask for Jesus' sake. Amen.

The Journal of yesterday's proceedings was read and approved.

### STORAGE OF RAW SUGAR.

Mr. THOMAS. Mr. President, as bearing upon the discussion which took place yesterday morning between the Senator from Michigan and myself, being the outgrowth of a letter which the Senator from Michigan presented and which was read from the desk, I wish to state that since that time I myself have received a letter, or, rather, a copy of a letter containing the substance of a confidential report made by the Great Western Sugar Co. to some of its stockholders and to its brokers showing the character of its business under the existing law. I ask leave to have inserted a part of the same in the Record this morning without reading.

The PRESIDENT pro tempore. Unless there is objection, the request of the Senator from Colorado will be granted. The Chair hears none.

The matter referred to is as follows:

The Great Western Sugar Co. statement shows that on March 1, 1914, they had on hand cash totalling \$3,601,000. In addition to this they had at that time \$7,868,000 worth of sugar. The sugar on hand was invoiced at the cost of production, which cost included every possible item of expense, such as storage, carrying charges, interest on the money, etc. Presuming that the sugar was sold at the price quoted in the public press as coming from the officers of this company, a sum

equal to \$10,500,000 or more was realized when the sugar was disposed of in the open market. In addition, the Great Western Sugar Co. statement carried an item of nearly \$900,000 for pulp and molasses. The pulp being sold to the farmers and also being used for feeding cattle, this statement shows that the cattle owned by the Great Western Sugar Co. are invoiced at \$508,000. In addition to all this, the company's statement shows that they have beet seed and other such material on hand to the amount of almost \$900,000, and this report still further shows that they had several hundred thousand dollars of collectible bills outstanding. This is only part of their report, and does not include the earnings or cash reserve of the beet-sugar factories located at Billings, Mont., and Scotts Bluff, Nebr., nor does it contain any statement concerning the earnings of the Great Western Railway. We might, if we wished, extend this statement by giving some of the particulars concerning other operations of this company, such as its efforts to create sentiment against the Underwood tariff bill and the reduction of the tariff on sugar. For instance, it has been charged in the Denver newspapers that certain sums had been paid out of the earnings of this company for the employment of lobbyists and others for maintaining headquarters and for the dissemination of literature looking to the manufacture of favorable sentiment. In addition to all this they have always embraced the opportunity to deceive the public as to the earning power of the Great Western Sugar Co. During the past two years they have been repeatedly buying space in various newspapers equaling two whole pages, displaying pictures of the factories that would be closed down when the Underwood tariff went into effect. Up to date no factory belonging to this company has closed its doors. On the contrary, for the sugar campaign beginning about October 1, 1913, and ending with the last of February, 1914, this company made a profit of at least \$2,000,000 over and above its dividend requirements.

Taking their own figures, they paid to the farmer \$5.50 per ton for his sugar beets, from which they recover about 270 pounds of sugar—about \$3.75 per hundred pounds. Multiplying the 270 pounds by \$3.75 a hundred, we find they receive \$10.32 for the sugar extracted from 1 ton of beets.

In addition they sell back the pulp, which is the residue of the beets after the sugar has been extracted, receiving from the farmer from 50 cents to \$1 per ton therefor, or else they feed it to their own stock, which they fatten for the market. The proceeds from the sale of this pulp about pays for all factory operation; therefore the net earnings on each ton of sugar beets is the difference between the \$5.50 paid to the farmer and the \$10.13 received from the consumer.

In giving the foregoing figures I forgot to mention that the Great Western Sugar Co. statement shows that, in addition to their enormous holdings of cash and other properties, they have between \$5,000,000 and \$6,000,000 invested in other companies. We could go on elaborating on these various items to a much greater extent, but will conclude by saying the officers of the company tell those on the inside not to urge any increase in dividends nor to ask for any statements until the tariff agitation is over, for by doing so they would destroy any hope for a retention of the tariff, telling them the people of Colorado would not support them if they knew the inside story.

It is generally accepted that if the earnings of the subsidiary companies were included in the profits of the parent company there would be somewhere in the neighborhood of \$26,000,000 earned during the past 10 years, after the payment of dividends of 7 per cent on about \$13,500,000 of preferred stock and 5 per cent on about \$10,800,000 of common stock.

Here are two extracts from a letter in my possession. It is to a New York banker from a prominent official of the Great Western Sugar Co. It was given me in strictest confidence, and I am not at liberty to use the names, but you may depend upon it as authentic: "The Great Western Sugar Co. should not, after all expenses and dividends are paid, something like \$7,000,000." And this, remember, on an outstanding capitalization of \$24,000,000. "The talk from the sugar company officials is not particularly favorable, for the reason that this year they reduced the price to \$4.50 per ton, and they are raising a great hue and cry regarding their inability to get seeds from Germany," etc.

Most cordially, yours,

### ARMY VETERINARY SERVICE.

Mr. SMITH of Michigan. I send a telegram to the desk and ask that it be read for the information of the Senate.

The PRESIDENT pro tempore. Without objection, the Secretary will read.

The Secretary read as follows:

LANSING, MICH., October 21, 1914.

HON. WILLIAM ALDEN SMITH,  
Senate Chamber, Washington, D. C.

DEAR SENATOR: In behalf of 900 veterinarians in our State I earnestly request you to use every means in your power to get the Army veterinary bill passed before adjournment. This bill has passed the House, and is all ready for final action.

Yours, sincerely,

GEO. W. DUNPHY, State Veterinarian.

### ADDRESSES BEFORE AMERICAN BAR ASSOCIATION.

Mr. STERLING. Mr. President, two notable addresses were delivered yesterday before the American Bar Association, that by ex-President Taft, the president of the American Bar Association, being the annual address (S. Doc. No. 614), and that of Senator Roor on the subject of "The layman's criticism of the lawyer" (S. Doc. No. 612). I ask unanimous consent that these two addresses be printed each as a public document.

The PRESIDENT pro tempore. Unless there is objection, the request of the Senator from South Dakota will be granted. The Chair hears none, and it is so ordered.

### THE COTTON SITUATION IN THE SOUTH.

Mr. SHEPPARD. I present a resolution passed by the National Farmers' Congress, in session recently at Fort Worth, Tex., and ask that it be read.

The PRESIDENT pro tempore. The Senator from Texas asks that the resolution presented by him may be read. The Chair hears no objection, and the Secretary will read it.